Who Will Be Conservative Chieftain?—See Page 9

THE FINANCIAL POST

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The Nation's Business

D.S.C.R. Badly in Need of Shake-Up

Rhodes Sets Good Example to Premiers

Fort Churchill and the Bay Rail Line

Newfoundland's Deal

IT IS now at least six years since the first intimations were given that Ottawa intended to reorganize the Department of Soldiers' Civil Re-establishment from the ground up. Successively since then, different ministers in charge of the department have allowed to fall broad hints that a clean up would shortly be inaugurated. But nothing has been done and the process of shift and change of ministers, the department has been allowed to go its way unmolested, demonstrating itself as one of the most mismanaged and inefficient departments in the government service. It is overstaffed; it is not well coordinated for there is open conflict between two chief branches of the work; there is, apparently, much discrimination; in short, there is the condition of affairs in the department that inevitably leads to graft and plundering of the public treasury.

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AT THE present time, the department is under investigation in one direction. A lawyer colonel, with very pronounced political views, is investigating charges of political partizanship in the department.

Perhaps he may find that certain people have been taking time off from their work to do a little campaigning for the men who got them their jobs; or he may uncover favoritism for men of the approved stripe. In any event, the investigation is a somewhat weak and unimpressive gesture. It has two pronounced failings; first, the investigator is a party man; and, secondly, the investigation of political partizanship does not strike at the serious weaknesses in the administration of the department.

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CERTAIN departments at Ottawa have been organized to good advantage; notably the department of national revenue, the department of trade and commerce, and the post office department. Two of the remaining departments have weaknesses of a glaring order. The department of immigration is staffed with obstructionists; the department of soldiers' civil re-establishment has too many men who are more concerned with their own personal position and wealth than with the giving of good service to their employers, the people of Canada.

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PREMIER E. N. RHODES of Nova Scotia shows himself a farseeing man and he sets a good example for the others to follow in inviting the leader of the opposition in his provincial legislature to the conference of provincial premiers.

Press despatches this week point out that Mr. Rhodes has invited Hon. William Chisholm, leader of the opposition in the provincial assembly, to join him in attendance at the conference of the provincial premiers to be held in October or November.

Conferences such as the one to be held this fall do not ordinarily deal with matters that are controversial within the province. They meet to discuss broader questions of policy as between province and province. Such policies usually take a long time to shape themselves and it is desirable that there should be the utmost continuity in the discussions. When the leaders of the opposition elements in the provincial legislatures are represented at these conferences this continuity is more definitely assured.

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IN ANOTHER direction this principle should be followed. The opposition party in Canada, and other British countries should have minority representation on delegations to the Imperial Conference. Following the last imperial conference The Financial Post strongly urged that this policy be adopted for future conferences.

The vicissitudes of politics are well known. Each conference records the presence of prime ministers as delegates who, at the time of the previous conference, were members of the opposition. Had they had the opportunity of attending as leader of the opposition, they would have received knowledge, experience and poise which would give them prestige and standing should they, at subsequent conference, head the delegation from their country as prime minster.

When opposition leaders are not present at conferences such as that of the provincial premiers this fall the adoption even of unanimous recommendations of such conferences is made difficult. The premier who goes to the conference and brings back a policy based upon the considerations of premiers from all over the Dominion is likely to find his policy attacked as soon at it is offered, attacked because the opposition considers it its duty to attack whatever policy the government pursues regardless of the

(Continued on page 5)

Vigorous Competition is Rule for Chain Stores, Especially in Montreal

A. & P., Prototype of Dominion Stores, Makes Strong Invasion

ARNOLDS DO WELL

Loblaw's, Too, Face Renewed Onslaughts in Cities From Larger Chain With Smaller Units

Competition of the most intense sort is facing the chain store organizations in eastern Canada. The Great Atlantic & Pacific Tea Co. has established 40 stores in Montreal, and it is said that 100 more in that city and more than 400 elsewhere will be established within the next two or three years. In Ottawa, the independent grocers have organized to combat the attacks made by Dominion Stores, with 30 stores, and Pure Food Stores, which recently opened six stores. In other places in Ontario, the competition is keenest between Dominion Stores and Loblaws. Arnold Bros., which recently took over the Martin Stones and converted them into typical Arnold Bros. grocery-and-meat stores, are preparing for an unprecedented fall business.

Perhaps of primary interest is the fact that the A. & P. definitely has entered the Canadian field in an aggressive way in direct competition with the organization, of which the A. & P. is the prototype.

Until recently, it was thought that through executives there was a direct connection between the A. & P. and Dominion Stores. Whether or not there ever was a connection has not been learned, but it is apparent that the keenest competition exists in Montreal at the present time, and probably will spread elsewhere.

Methods Are Identical

Any business which the A. & P. creates in Canada will largely be taken from Dominion Stores for the reason that the business of both is designed to serve the identical fields by the identical methods. The A. & P. is an immense organization, with 15,000 stores in the United States and owning and operating factories and plantations in many states of the Union and in other countries. In recent years, the expansion of the business has reached the saturation point in the United States, it is said, and a surplus of $8,000,000 was created.

It was then that the company began to look at Canada.

Or, perhaps, attention was directed to Canada by the fact that someone was opening two or three small stores in Montreal under the name of the Great Atlantic & Pacific Tea Co., Ltd. It is reported that the A. & P. company in the United States sought the aid of the secretary of state, but found that that dignitary could not help them, in view of the fact that, officially, the only A. & P. company in Canada was the one registered by the Montreal resident. The A. & P. company bought him out, it is said, at a fancy price.

Competition also is keen between Dominion Stores and Loblaws. Dominion Stores can operate successfully in rather small communities, while Loblaws, with much larger stores, is to be found in the more populous centers. The competition between these two chains is most intense in Toronto.

Arnold Bros. have completed conversion of the Martin Stores into typical Arnold Bros. stores, with both meat and grocery departments. The business throughout the summer months has been highly gratifying, it is reported on good authority, and it is anticipated that the fall earnings will be in excess of the amounts expected. The consumption of meat, naturally, is less in the summer months than in the rest of the year, but this comparative quietness has facilitated the conversion of the stores and the consolidation of the organization.

Expenses Are Lower

It is said that the administrative expenses of the company have been reduced materially in ratio to sales under the new regime. The organizers of the consolidation have assembled what they believe is an unexcelled personnel for the financial and physical control of the properties.

In the merging of the Martin chain with the Arnold Bros. group, it was found necessary to close eight stores in all. In one instance, a site was sold at a good profit. In the other seven instances of ownership or leasehold, the properties are leased or sub-let at profitable rates.

Despite these favorable facts, the stock in recent weeks has been weak in the Toronto market. The reason, probably, is not that the outlook is considered unfavorable, but that distribution, as yet, has not been attained for the common stock, of which 81,500 shares are outstanding. It is probable, however, that this stock gradually is being distributed among investors.

Goodyear Common Is Being Picked Up

Goodyear Tire common is being absorbed quietly by those in touch with the company's affairs. A current bid is 170 for the stock but higher prices are being paid.

The new shares are being traded in on "if, as and when" basis at between $72 and $75 a share. Should the company establish a 5 per cent. dividend rate this fall (which is possible though not assured), the yield would be nearly 7 per cent. at that price. Earnings are about 12 per cent. or more on the new stock.

KELVINATOR IS AIDED BY THE NEW BRITISH LAWS

Refrigerator Sales Stimulated by Prohibition of Food Preservatives

Kelvinator Co. of Canada will benefit from the rapid expansion of electrical refrigeration in Great Britain. The English company is a subsidiary of the Canadian company, shares of which are dealt in on the Toronto exchange. A controlling interest in the Canadian company is held by Electrical Refrigeration Co. of the United States. The parent company is confining its activities to continental United States, so that export expansion accrues primarily to the benefit of the company at London, Ont.

The use of electrical refrigeration is stimulated in Great Britain by new laws, which prohibit the use of preservatives in foodstuffs. Local authorities have been instructed to be lenient in enforcement at the start, but it is probable that within a year or two all preservatives will be rigidly excluded.

Market for Million

It is calculated that persons with incomes of $3,500 or higher can afford to own electrical refrigerators, which gives a potential market for about 1,000,000 refrigerators.

Sales of ice cream have been increasing steadily in Britain in the last several years. This also is helpful to Kelvinator, which manufactures Nizer cabinets for use by dealers in this American food product.

Frigidaire, a General Motors product, and Servel, are the other two companies, which have begun to make progress in this field in Great Britain.

B. C. ELECTRIC LEARNS SECRET OF POPULARITY

Company Which Formerly Was Well-hated Has Changed the Public Attitude

BRIDGE RIVER GROWS

By 1950, Company Will be Obtaining 700,000 Horsepower From Development Beginning Now

By Staff Editor

VANCOUVER.—If there are any old-fashioned utility companies, which are puzzling to discover how to win a modicum of popularity among their customers, they could not do better than to study the methods of British Columbia Electric Co. A few years ago, according to authorities outside the company, B. C. Electric was about as unpopular with the public it served as any company could be, and much less popular than any company can afford to be. Now the situation is reversed.

And, when new capital is required for any of the diverse enterprises fostered by the company, it is available locally. Only recently the company got $5,000,000, when it only asked for $2,500,000. It issued preferred stock and the holders, the company's customers, are well satisfied with a good investment.

Dominates Its Field

B. C. Electric dominates its field. It supplies Vancouver and vicinity and Victoria and vicinity with electric power, with street railway service and with gas. Originally, the capital was entirely English, but with sale of $5,000,000 of preferred stock locally, the English interest is less important than formerly.

When one realizes that at least 70 per cent. of the population of British Columbia is in the metropolitan area of Vancouver, or in the island capital and that British Columbia has the largest per capita number of domestic users of power in Canada and the greatest per capita installation of hydro power, the importance of B. C. Electric, aside from the pulp and paper companies, is apparent.

It was since the war that the company began determinedly to bring about a change in the public attitude toward its enterprises. It began first to improve the street-railway service. There are a number of cars in use, which appear to be rather aged, but these contrast with the very modern vehicles, which are in use on the main lines. There also are buses. With the improvement in service, the fare of six cents—which is below the average—has remained unchanged.

Is Good Advertiser

There were also re-adjustments in the lighting rates, consistent with fair dealing with all classes of consumers, and efforts were made to convince

(Continued on page 5)

Montreal Terminal Warehouse 55% Full

Will be Taken Over from Contractors on Sept. 1

ELECT DIRECTORS

MONTREAL.—Montreal Rail and Water Terminals, which is building the $5,000,000 dry and cold storage warehouse plant near Place Viger station, will take over the completed building from the contractors about September 1. Exceptionally good progress has been made, just as on the sister Toronto terminal, and the building has gone up in short order. In adition to a saving on time there has been a considerable economy in expenditure; the structure has cost $400,000 less than was estimated. This saving has had the effect of increasing the working capital of the company and on completion of the building the organization will have $750,000 net working capital which will be available for the financing of warehouse receipts as well as for other normal business purposes.

The company took over a substantial business from the warehouse owned by the C. P. R. and occupying the same site. This together with a large amount of new business booked has already filled the warehouse to 55 per cent. of the capacity of the dry storage space. Only test shipments have been placed in cold storage, but a goodly amount of business is in prospect for this division when operating.

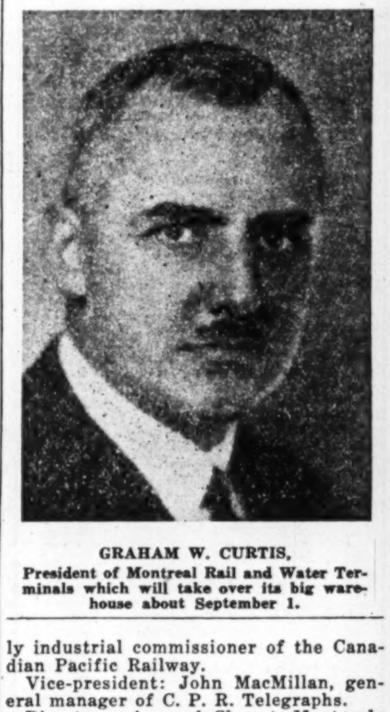
At a meeting of the provisional directors of the company this week the nine members of the final board of directors were elected to office. They include representative Montreal business men as well as the representatives of the financial sponsors of the warehouse. The new directorate, as at present constituted, consists of:

President: Graham W. Curtis, formerly industrial commissioner of the Canadian Pacific Railway.

Vice-president: John MacMillan, general manager of C. P. R. Telegraphs.

Directors: Armand Chaput, Montreal; Col. George R. Starke, Montreal, president of Dominion Transport Company; G. L. Lafollie, Montreal, president of Mark Fisher and Sons and president of the Montreal Board of Trade; Thomas A. Neely, Toronto, partner of Willison, Neely Corp., investment bankers; H. Addison Johnston, Toronto, vice-president of Canadian Rail and Harbor Terminals; Sir William Hearst, Toronto, chairman of Canadian Rail and Harbor Terminals; Martin Lindsay, Chicago, partner of White, Weld and Company, investment bankers.

President



GRAHAM W. CURTIS,
President of Montreal Rail and Water Terminals which will take over its big warehouse about September 1.

International Paper Will Spend $20,000,000 on Newfoundland Mills

This is its Part of the Recent Cornerbrook Agreement

MAY EXPORT WOOD

On Payment of Royalty May Ship Pulpwood From the Northern Areas

Premier Monroe of Newfoundland has made public the terms of the agreement under which the International Paper Co. will acquire the plant of the Newfoundland Power and Paper Co. His outline indicates that Newfoundland is ready to pay a stiff price to get out from under the burden of the guarantee it gave to £2,000,000 of debentures of the company, and to insure increased employment in the Island. Yet the agreement is much better from the Island's standpoint than earlier forecasts had it, and indicates considerable concessions by International Paper Co.

The British government also guaranteed £2,000,000 of additional debentures. If the present deal proves to be the salvation of the company, the British government will be protected from loss on its guarantee, but, apparently, is making no concessions to save the industry or prevent loss on the guarantees beyond permitting further bonds to be issued ahead of its security.

Take Over Cornerbrook Plant

Under the agreement outlined by the premier, the International Paper Co. will buy the plant at Cornerbrook. The Newfoundland government would shortly have had to take it over from the Sir W. G. Armstrong-Whitworth Co., which had run the cost of construction up from $25,000,000 to $45,000,000 and had been forced to leave the British and Newfoundland governments to hold the bag.

The International Paper Co. will buy the plant from its English owners. What it will pay is apparently not incorporated in the agreement with Newfoundland, but it may not amount to much more than an assumption of the £4,000,000 of debentures guaranteed by the two governments and the additional £1,000,000 of unguaranteed debentures subsequently issued to secure a bank loan. It is not certain if the price to be paid will protect any holders of junior securities, which include a further bank loan of $10,000,000, secured by a junior debenture, $6,500,000 of income debentures, $9,000,000 of preferred shares and $5,000,000 of common shares. It is said that the Bank of England will have a $10,000,000 holding of preferred stock in the new company to be formed under the name of International Paper Company of Newfoundland. This may be in lieu of the bank loan mentioned.

Will Add to Plant Capacity

The International Paper Co., on buying the property, agrees to spend $15,000,000 on enlarging it and for other purposes. It will have until 1933 to bring the capacity of the mill from 400 to 600 tons daily. To raise the money, it will be permitted to put another £3,000,000 of debentures ahead of the two guaranteed issues, making in all £4,000,000, or $20,000,000 of mortgages, ranking ahead of the issues guaranteed by the British and Newfoundland governments.

The company will also interest itself in the Gander Valley Paper Mill project. This is controlled by the Reid Newfoundland Co., but the International is buying it out. The Reids have put much time and money

(Continued on page 16)

Pulpwood Export Strictly Limited

Probably the chief criticism of the Newfoundland government's deal with the International Paper Company will be in regard to the exportation of pulpwood.

But the amount to be exported is strictly limited to one half cord for each ton of paper made on the Island. As it usually takes one and a half cords of wood to make a ton of paper, Newfoundland is increasing the amount of wood destruction represented by each ton of paper manufactured from one and a half cords to two cords. For the extra ton it will get $1, a small sum, but not unduly so for wood cut at the present time in northern Newfoundland. This is one of the concessions Newfoundland is willing to make to create employment and to prevent financial loss on its guarantee. Despatches do not state if a time limit has been fixed on the export arrangement.

SILVERWOOD'S ORGANIZE TWO NEW CONCERNS

Elmira and Two Kitchener Companies Under Wing of London Business

Silverwood's, Ltd., is now the parent concern for eleven companies manufacturing and marketing ice cream and other dairy products. The latest acquisitions are the Elmira Cooperative Creamery, which made 900,000 pounds of butter last year, and a Kitchener company.

The Silverwood-Elmira Creameries have been carried on as a co-operative concern for ten years or more and has made considerable progress. A few months ago, however, the company decided that new capital was needed, and, after some negotiation, a new charter was obtained and the parent company placed some $125,000 in the business. An addition to the plant has been constructed and the prospects, according to an authority, are excellent.

Organize in Kitchener

Silverwood's a few weeks ago was offered the stock of the Shoemaker's Dairy, Ltd., and the ice cream business of the Rosedale Creamery. Both these concerns have been in the ice cream business for more than ten years and have been duplicating each other's service. Also, it is said, there was considerable price cutting. A new company which has been formed, known as Silverwood's Kitchener Dairy, Ltd., will serve the Kitchener field with ice cream, and, eventually, the other products associated with Silverwood enterprises. The company's refinancing, it is expected, will be completed shortly.

The parent company," says an authority," is swinging into a very nice position. A great many opportunities for expansion are presenting themselves. Each of the points represented in the group is giving a real service in the community where the business is located, and is receiving a very fine local co-operation and support."

Show Gain Over Last Year

It is said, further, that the parent company is particularly fortunate in having found able and aggressive executives of the younger type.

A general letter to shareholders dated August 8th tells of the results in the various dairies and ice cream plants up to the end of June. The reference to each subsidiary follows:

Silverwood's Dairy Limited, Chatham, Ont.—At the end of June net earnings were $226.29 behind last year.

Silverwood's Niagara Dairy Ltd., St. Catharines.—As explained in last letter the branch at Point Abino has been a great assistance in increasing our volume, and July and August here will be exceptionally good. At the end of June we were up $2,031.14.

Silverwood's Lucknow Creamery Ltd., Lucknow.—The improvement for the four months is $937.31.

Silverwood's Windsor Dairy, Windsor.—The improvement continues here, and at the end of June it stands at $3,158. The regular half-yearly dividend was paid July 1st.

Silverwood's Sarnia Dairy, Sarnia.—Comparison up to the end of June indicates that earnings are not quite as good as a year ago, but milk business is becoming well established, being now nearly 1,100 quarts per day. This department was only started a year ago.

Silverwood's Elmira Creameries, Ltd.—Ice cream business is improving weekly. The new addition is nearly completed, and the net earnings of the creamery business for June were $2,322.91.

Silverwood's Kitchener Dairy, Ltd.—This is rounding into very nice shape.

(Continued on page 16)

Investors' Index

Abitibi	11	Imperial Oil	2
B. C. Electric	1	Inter. Paper	1
Besco	5-16	Kelvinator	1
Canada Bread	7	Laura Secord	7
Can. Bakeries	4	Loblaw	3
Can. Biscuit	5	Mercury Mills	4
Can. Indust. Alc.	11	Mtl. Rail & Water	1
City Dairy	7	Montreal W. & P.	15
C. P. R.	15	Northern Bakeries	7
Dom. Stores	1	Port Alfred	6
Fraser	6	Sawyer-Massey	11
Goodyear	1	Silverwood's	1

MINE FEATURES

Alberta Oil	18	Gull Kirkland	19
Amulet	17	Harvie	16
Astoria	18	Hollinger	17
Bush Cons.	17	Howey	17
Coniagas	18	Int Nickel	17
Coniaurum	18	Jackson Manion	19
Consol. Smelters	8	Lake Shore	17
Dunwell	19	Noranda	17
Duprat	17	Ont. W. Lake	17
Goldale	18	Pioneer	17
Granby Cons.	18	Premier	17
Grazelle K.	17	Rubuc	20

REGULAR DEPARTMENTS

Business Review 2
Agricultural Survey 2
Insurance 22
Banking 20
Editorial 10
Pulp and Paper 6
Investors' Inquiries 11
When Women Invest 11
Stock Market Tables 5

SPECIAL FEATURES

Retail Merchants Seek Means to End Choas 3
Great Canadian Life Insurance Company Has Fine Record in Britain 10
Making Your Will 15
Investment Trusts Should Give Security of Income Primarily 13
Conservatives Want Chieftain Who Can Make Gains in Quebec 9

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Price Declines Will Not Hit Canadian Business
Prospects Good for Autumn Trade
Employment Gains Though Immigration Rises
Boot and Shoe Production Maintains Increases

A number of recent business analysts have been discussing further the question of the possible effect on business of further price declines.

Prices declined further in July in Canada and the Dominion Bureau of Statistics index number weighted according to the commercial importance of the 236 commodities which are included in its computation fell 1.5 points in July, being 152.0, as compared with 153.5 in June.

This is not greatly below the level a year ago and is above the level at the beginning of the year. Prices are fairly stable in Canada now although the general, long-term trend is downward. Anyway, observers in other countries see further declines as likely.

Forecasts Further Decline

Wm. C. Cornwell, editor of the Bache Review, New York, points out that after great wars all prices decline more or less gradually for a number of years. This happened after the Napoleonic wars in 1815 and after the Civil War in 1865. British prices declined 33 per cent in the first eight years of peace, and in the next six years they declined 10 per cent. more. The average of prices after the Civil War in the United States fell almost continuously; from 1866 to 1873 a total average decline of 10½ per cent. occurred, and from 1873 to 1880 they declined 20 per cent. more.

Can Industry Stand It?

Since the World War, or at least since the recovery from the dip of 1920 which reached its apex in 1924, we have had an uninterrupted lowering of prices akin to the first stages after the Napoleonic wars and after the Civil War, and amounting to over 10 per cent. If the parallel is carried out, we have ahead of us the larger percentage of further decline to take place in the next half dozen years. "In what position will industry, and especialy industrial profits, find themselves under a further 10 to 20 per cent decline?" Mr. Bache asks.

In an article in Forbes, Alexander D. Noyes discusses the question of whether further falling prices will help or hurt prosperity. And as to the price probabilities, he says: "Whether judged by the history of other periods of readjustment after a destructive war, or by the visible tendencies of the moment, or by the actual relation of potential supply and potential demand, the probabilities would appear to favor continuance of a gradual decline in prices."

How Industry Meets Falling Prices

Thus far the problem of making profits on a falling price market has been met by mass output, increasing economies, and efficiency in production. Undoubtedly this will be continued as far as possible, but it is reasonable to believe that some time a limit will be reached. In the meantime, if prices continue to decline, the smaller units which have not the facilities, the mass demand, or the capital to reduce operation costs, must suffer cumulatively.

For the last several years we have seen prices decline and also factory production increased. At the same time the number of persons employed has been reduced; but the output of persons employed, according to the Federal Reserve report, has increased more than 10 per cent. This, the Board's Bulletin contends, has not only counterbalanced the decline of prices, but has had the effect of increasing the purchasing power of industrial workers, both by means of wage advances and by the increase in the buying power of money wages at a reduced level of commodity prices; in other words, has increased the consumption of all classes of commodities.

Canada Is Favorably Placed

Due to considerations which exist in the United States, offsetting the unfavorable effects of falling prices, Mr. Noyes does not see any serious reaction in trade, at least for a time. Some of these considerations are, exceptionally easy credit, wide diffusion of individual wealth, and the continuation of hand-to-mouth buying preventing large accumulation of unsold goods.

Canada, it might be pointed out, is favorably placed to withstand the strain of falling prices, for industry here should experience gradually lowering costs and a constantly expanding home market.

While business has slackened somewhat in recent weeks in Canada, the slackening has been chiefly a let-up in the rate of increase of business over last year. We are still ahead of last year's business level, unlike the United States, which has slipped behind. Prospects for fall trade are excellent.

Canadian employment on July 1 showed further gains, owing to an increase during June larger than any on record. Reports from 6,137 firms employing 896,956 workers showed increase of 21,866 in payrolls during June. As result, index number of employment (based on January, 1920, as 100) reached 108.4, against 105.9 on June 1 and 103.7 on July 1, 1926.

General improvement appeared in all industries except logging, which showed seasonal curtailment. Largest gains were reported in construction.

Car loadings continue at above the 1926 level. Cars loaded in the week to July 30 were 62,255 as against 61,443 in the same period of 1926. This was a smaller increase than had previously been recorded, indicating some temporary slackening in forestry industries. Merchandise shipments continue their healthy gain, however.

Boot and Shoe Production Up

Boot and shoe industry is showing moderate gains over 1926. The production of footwear for the six months ended June 30, 1927, was 9,489,113 pairs, an average per month of 1,581,519 pairs. The production of boots and shoes with leather or fabric uppers was 8,847,761 pairs, an average per month of 1,474,627 pairs, compared with a total of 8,446,445 pairs and an average of 1,407,741 pairs per month for the corresponding period of 1926.

Immigration to Canada during June amounted to 18,052, compared with 12,191 in the same month a year ago, an increase of forty-eight per cent.

Immigration for the first three months of the present fiscal year totalled 77,434, compared with 48,043 for the same period a year ago, an increase of sixty per cent. Of the June immigration, 7,272 were British, 8,138 from other countries.

Current loans of Canadian banks showed an increase in June, the bank statement just published reveals. This is an evidence of broadening trade for it indicates that business is borrowing on a larger scale. The fact that call loans increased shows the confidence of the banks generally in the investment situation which is in itself a happy augury for business.

Agricultural Survey

Frost Reports Exaggerated
Bumper Returns Likely
Conditions Generally Good

Chicago wheat speculators had a burst of excitement this week when reports of serious frost damage in Western Canada sent wheat sky-rocketing. But business men, more interested in the likely result on Canadian purchasing power of this year's crop returns, should not become unduly depresed by these reports which undoubtedly have a basis of truth, but are greatly exaggerated. The west is assured of bumper returns, and only very severe frost can rob it of its reward.

The situation in the wheat areas can be sized up from wires to The Financial Post from Regina. Telegraphic reports received by the statistics branch of the Department of Agriculture over the week-end indicate that crops are in good condition, and have made good progress during the past two weeks. Forecasts of commencement of cutting show a wide variation ranging from the 15th of August to the first of September. The appearance of rust is reported at only a few scattered spots and in some places in the southeast, but on the whole the reports are not alarming. Frost is reported at a few points on the morning of the 8th and in some cases damage to tender garden stuff is reported. It is too early, however, to ascertain if any damage has been done to grain crops at these points. Cutting of fall rye has commenced in the majority of districts and in a few cases it is completed.

As the end of the grain trade season approaches, stocks of wheat and other rains in the elevators of Canada have declined to a low point. Canadian grain moved to market early during the past year and the money was thus placed in the hands of farmers without delay.

Flour production of Canadian mills has continued on a lower scale than the average of the past few years. This has been due to the decline in export demand.

Generally speaking, agricultural conditions are favorable in all parts of Canada. The last Bank of Montreal crop report, dated August 4, said:

"In the Prairie Provinces excellent growing weather has prevailed. Expectations are that harvesting will be general by 22nd August. In Quebec favourable weather has prevailed during the past week and crops made further progress. In Ontario harvesting of good average crops has commenced. In the Maritime Provinces excellent growing conditions prevail and all crops are doing well. In British Columbia hot dry weather continues and rain would be beneficial for growing crops.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest: This Year	Latest: Last Year	To Date: This Year	To Date: Last Year
Production—				
Pig iron, tons (June)	69,437	70,854	403,713	370,864
Steel, tons, (June)	59,940	81,277	487,310	431,184
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (June)	19,208	21,751	126,181	124,877
Boots and shoes, pair (June)	1,475,493	1,459,072	8,847,761	8,446,445
Flour, bbls., (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (July)	$50,881,200	$33,864,700	$242,205,000	$228,408,300
Building Permits (June)	$18,399,858	$18,718,050	$81,373,619	$78,760,419
Labor—Employment index (July)	108.4	103.7	....	....
Transportation—				
Car loadings (to July 30)	62,255	61,443	1,819,010	1,725,519
C.P.R. gross (June)	$15,270,904	$15,533,968	$88,842,564	$85,227,786
C.P.R. net (June)	2,264,452	2,827,103	13,012,299	13,956,687
C.N.R. gross (June)	$22,545,250	$23,114,896	$129,698,814	$125,461,890
C.N.R. net (June)	646,564	2,027,580	14,070,787	15,557,734
Population—				
Emigration (May)	5,259	....	26,775	......
Immigration (May)	23,941	18,620	59,382	36,113
Trade—(June)—				
Imports	$101,029,386	$91,513,173	$533,868,916	$486,945,548
Exports	$105,678,453	$118,188,590	$561,032,354	$604,353,157
Imports of key products (June)—				
Rubber, lbs.	4,672,405	......(12 mos.)	54,856,129	45,656,630
Cotton, lbs.	10,697,443	......(12 mos.)	141,317,616	131,019,961
Sugar, $	4,118,211	......(12 mos.)	42,135,165	34,517,478
Peroleum (gal.)	103,662,009	......(12 mos.)	750,732,872	604,260,965
Coke, tons (June)	57,446	......(12 mos.)	835,169	1,009,726
Exports of key products (June)—				
Newsprint (cwt.)	3,189,893	......(12 mos.)	36,295,169	30,850,671
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15.405	17,729
Wheat, bus. (June)	15,863,044	27,791,702	105,130,539	94,294,810
Wheat Flour, bbl.	846,700	1,029,490	4,617,670	5,297,623
Finance—				
Failures, number, (May)	127	124	752	715
Failures, liabilities, (May)	2,235,675	2,065,385	11,920,951	11,856,499,734
Bank Debits (June)	$2,880,000,000	$2,584,000.000	$16,018,000,000	$14,541,000,000
Bond sales (July)	$26,108,000	$54,262,000	$284,628,860	$406,037,924
Stock prices index (July 30)	....	....	358.7	179.9
Insurance sales (June)	$45,298,000	$44,634,000	$246,876,000	$228,817,000
Wholesale prices (1913-100)—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	64.7	74.2

Business Conditions in United States

Measured by cheque payments, the dollar volume of business in the United States for the week ended July 30, was smaller than in the preceding week, but greater than a year ago, according to the weekly statement of the Department of Commerce. Wholesale prices advanced from the low level of the preceding week, but were still substantially lower than in the corresponding week of a year ago. Although prices for cotton advanced over the preceding week they were lower than last year. Iron and steel prices declined from both the preceding week and the corresponding week of 1926.

Loans and discounts of Federal reserve member banks again receded from the preceding week but were higher than a year earlier. Prices for stocks continued to an advance, both as compared with the previous week and the corresponding week of last year. Interest rates on call loans, though showing no change from the previous week, were lower than in the same week of 1926. Bond prices again advanced, being higher also than in the corresponding week of last year. Interest rates on time money averaged lower than in the previous week or the corresponding week of 1926. The Federal reserve ratio advanced over both prior periods. Business failures were more numerous than in either the preceding week or the same week of last year.

Production of bituminous coal during the week ended July 23 showed practically no change from the preceding week, but was lower than in the same week of 1926. Lumber output again registered an increase over both the preceding week and the corresponding week of last year. The production of bee-hive coke, showing no material change from the preceding week, was substantially lower than in the same week of 1926. The output of crude petroleum reached a new high peak during the third week of July. Building contracts awarded in 37 states called for larger expenditures than in either the preceding week or the same week of a year ago. Receipts of wheat at primary markets were substantially lower than a year earlier. Receipts of cotton into sight were running higher than a year ago. Receipts of cattle at primary markets were lower than last year, with hog receipts making a similar comparison.

WEEKLY BUSINESS INDICATORS
(Weeks Ended Saturday)

(Relative numbers, average 1923-25 100)

	1927 July 23	1926 July 24
Bituminous-coal production	84.6	104.1
Lumber production	106.4	99.1
Beehive-coke production	43.7	69.4
Petroleum production (daily average)	123.6	99.4
Freight-car loadings	....	113.2
Bldg. contracts (27 states)	146.5	116.3
Wheat receipts	145.4	242.5
Cotton receipts	33.5	20.0
Cattle receipts	84.5	93.4
Hog receipts	65.8	69.8
Price No. 2 wheat	100.7	101.4
Price cotton middling	68.4	69.5
Price iron and steel comp.	87.9	91.0
Fisher's price index	88.7	95.9
Bk. loans and discts. (total)	116.0	111.9
Debits to indiv. accts.	*119.2	117.8
Int. rates, call money	81.2	97.0
Business failures	101.7	88.2
Stock prices	174.5	131.6
Bond prices	108.4	106.0
Int. rates, time money	102.9	100.0
Federal reserve ratio	101.7	98.1

Canada Interested in Synthetic Gasoline

Possibility of extraction of oil from Canadian lignite coals has recently been discussed. This lends a Canadian interest to the arrangement entered into by the parent company of Imperial Oil to acquire the use of German patents on this process.

Offices of Standard Oil Co. of New Jersey confirm that a tentative arrangement had been made for the company by W. C. Teagle, president, with the German Dye Trust for American rights on the Bergius patents of making synthetic gasoline from bituminous coal.

No production of synthetic gasoline from coal is regarded as likely in the next few years. This not only because of present over-production of oil and gasoline but also that synthetic gasoline cannot yet be made at a price to compete with gasoline from petroleum.

The tentative arrangement to get rights on the Bergius patents, it was pointed out, can be regarded as purely a long range proposition. The company is seeking to protect itself by having available such a process in the event that some time a shortage in the supply of crude petroleum and the price of gasoline would make it possible to make synthetic gasoline at a price comparable to that of gasoline refined from crude oil.

Regarding the product, glycol, patents on which are owned by Standard of New Jersey, and for which the German Dye Trust has been given some rights, this is a product of crude oil and chemicals which is supposed to have certain advantages over glycerine. It was discovered by chemists who were trying to find use for residuums left after cracking crude oil for gasoline. Like synthetic gasoline, it costs more than glycerine at present.

The Northern Paper Mills have been granted a provincial charter to manufacture, sell and deal in all kinds of paper, paper board, pulpwood and woodpulp, with capital stock at $100,000 and headquarters at the Soo. The firm now operates a pulp and paper mill at Green Bay, Wisconsin.

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Retail Merchants Seek Means to End Chaos

Present Trend is Toward Massed Distribution — What Will Future Bring Forth? — Retail Merchants' Manager Discusses Problem

By NORMAN B. DOUGLAS.
Secretary-Manager, Retail Merchants' Association of Canada.

Changes in conditions and methods of distribution in a country so large as Canada are not easily observed at any one period of time, but by comparison of present conditions to the past we are at least able to get some idea of the present trend, and if we go further and compare present conditions with the possibilities of the future, with the knowledge of what has taken place in the past, we might, even to some degree be able to forecast what future changes will, under normal conditions, take place.

All the new processes of distribution may be attributed to two chief factors:

First—Ambition to Succeed.

Second—Competition.

These two factors are closely related in that the ambition of the individual comes into opposition with the ambition of other individuals and competition results, and where competition exists already the renewed ambition of the individual is to overcome that competition and so the process goes on.

Price Element in Business

The chief methods, some fair, some unfair, during the past few years which have been introduced by individuals to attain success and at the same time overcome competition have been the application of science and invention to create newer tastes in the minds of the purchasing public through extensive advertising, to set about to satisfy those new desires which have been created, to introduce the highest type of modern efficiency into business, to reduce operating costs wherever possible, to demand price differentials for large quantity purchases, and to appeal to the public for business on the basis of price rather than quality.

The results of this competitive struggle are all related in the statement made at the Canadian Credit Men's Convention this year in Calgary, when J. E. Brown, of the wholesale firm of Revillon & Company, of Edmonton, said that "Fifteen per cent. of the distribution of Canada was under the direct control of not more than fifty firms or corporations."

This statement coming in this the sixtieth year of our confederation certainly is a definite pronouncement of the trend of the times which has been brought about as a result of competition and the ambition of one individual to introduce into his business such of the elements as before mentioned which would place him in a preferential position to get control of the trade in competition with those who were engaged in a similar class of business.

Soon Only 300 Firms?

On this basis of absorption and centralized buying, most of which has taken place in the last ten years, if the process continues we would find that in the next sixty years one hundred per cent. of the distribution business might be directly or indirectly controlled by approximately 300 firms or corporations. What will then have become of all the merchants, wholesalers and manufacturers who are in this country to-day? What position will the purchasing public be in with the many competitors eliminated, and even further amalgamations being promoted, control having been secured by a few. Where are we going? How are we going to get there and what are we going to do when we do get there is the problem facing the business men of to-day.

Trading conditions have changed from the time that one man traded goods for the goods of another. Not many years ago we find that "barter and exchange" was the principle on which all trading was carried on by the fur trading companies with the natives and the early settlers in this country; in fact not until 1817 was a bank established in Canada from which currency could be secured, although the fur companies prior to this time had used wooden or metal discs as a medium of exchange. Now the only basis on which goods are exchanged is at a money value.

Processes of Merchandising

Not only have the conditions changed but methods have even been more evolutionary. The chief processes through which merchandise is distributed in Canada to-day may be described as follows:

1. Individually owned and operated store.
2. The mail order house.
3. The chain store.
4. The co-operative store.
5. The transient trader, hawker and peddler.
6. The manufacturer and wholesaler selling direct to the consumer.
7. Customer chains of sale.
8. Unsolicited (sent on approval).

A plan of sale for any or all of these methods may be on a service or a non-service basis, and either for cash or credit or for both cash and credit.

Says 140,000 Merchants

Merchandising has become classified and with the specialization and standardization processes, while the general merchant carries all lines of merchandise, there has been developed different classes of merchants directing all their attention to these more specific lines, such as the grocer, the clothier, boot and shoe dealer, hardware dealer, jeweller, etc. In all, there are over 140,000 retailers in Canada to-day distributing over $4,000,000,000 worth of merchandise.

The business of the distributor is to render a service to the consuming public by placing in his store for their convenience the class of merchandise which is most suitable to the requirements of the people of his community, and selling them at the cheapest possible price, included in which should be a fair wage for his labor and the risk involved.

Chaotic Retail Distribution

With the tremendous number of retailers, with the different methods of distribution and the competition between these different merchants and their different methods, each with the ambition to succeed, you can realize something of the chaotic condition of the retail distribution business of Canada to-day with no one approved method, no one established standard.

The chain store is striving for the business of the purchasing public in the urban centre, and the mail order store is reaching out to get the business from the rural community. All are in competition with the individually owned and operated stores, and the individually owned and operated stores are combining and amalgamating together to reduce operating costs by collective advertising, group buying and centralized control. The principle of mass production within the last ten or fifteen years applied by the manufacturer is rapidly being introduced into the methods of selling goods to the consumer, and will be known under the caption of massed distribution.

These are the conditions to-day in a country of 9,000,000 people with millions of acres of land still available for occupation, with unlimited mineral, forest, fishing and other basic products to be developed, and with only 2½ persons per square mile as compared with the United States to the south of us with 30 persons per square mile, and England and Wales with 558. The population will, no doubt, rapidly increase with a corresponding increase in consumption and distribution.

What Will Happen?

What is going to happen? Will the tendency be to continue to bring the manufacturer and the consumer into closer relationship by large buying individually, or by grouping together, thereby establishing the principle of price differential for quantity purchasing? Is the service or the non-service store to be the method of distribution most suitable to the requirements of the public, or will service stores, with from five to seven per cent. operating costs for service alone, be required to adopt both methods of distribution in order to meet the price differential of the non-service stores? How long can price cutting on nationally advertised goods which have become standardized be used as a basis of competition, emphasizing the "price" appeal, in the hope that the public will believe that as the price is ridiculously low on some well-known trade marked article so all other lines of merchandise sold by the price-cutter are similarly maintained? What is going to happen to the manufacturer, the wholesaler and the independent service retailer if the manufacturer permits these conditions to exist by continuing his policy of creating large price differentials between different classes of distributors?

In my opinion, only five things can happen, either

1. Retailers will find it necessary to discontinue selling the products of manufacturers who do not protect the sale of their merchandise to the point where a fair margin of profit can be secured; or
2. Retailers will have to get together and buy directly from the manufacturers to get quantity purchase prices; or
3. Retailers will have to get away from the overhead costs of wholesalers' service and credit charges; or
4. The public will have to be educated to realize the unfair position in which the regular merchant is being placed as a result of the different methods of competition being introduced, and his support requested to direct his purchasing power to those merchants who are rendering the greatest service to his community; or
5. The government will be required to make a study of our domestic distribution problems, and with the assistance of the retail trade undertake to direct distribution through the most economical and at the same time the most fair and equitable channels in the best interests of community life and development.

Merchants in Interior Now Get Tourist Trade

By Staff Editor

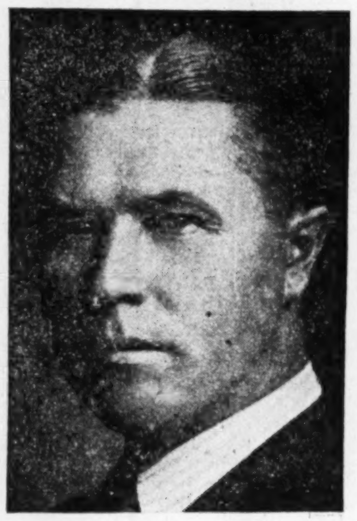
VANCOUVER.—A somewhat curious situation has developed in Vancouver in connection with the tourist trade.

Customs data show a 15 per cent. increase in the number of tourists entering Canada in motor cars for British Columbia points, but Vancouver merchants, it is said, report less business from tourists than a year ago.

The explanation is believed to be that the tourists are passing through Vancouver but not stopping here for any length of time. The government's road building policy, both on the mainland and on Vancouver Island, undoubtedly has attracted tourists to roam into the interior while formerly they were compelled, so long as they traveled by automobile, to stay in the immediate vicinity of Vancouver.

T. R. Deacon, president of Manitoba Bridge and Iron Works, says: "There was fifty per cent. more steel made in Manitoba last year than was made in a similar period in all Canada 30 years ago; and there was more than twenty-five per cent. as much rolled products of iron and steel made in Manitoba last year as in all Canada in 1897."

With Capital Trust



D'ARCY J. McGEE,
who has been appointed manager of the Toronto office of the Capital Trust Corporation. Mr. McGee was with the Bank of Toronto for many years, recently as manager of the Queen and Parliament branch, Toronto.

Australia Will Stick by Protective Tariffs

That Australia intends to stick by tariffs to build up employment and thus attract immigration was indicated in London by H. E. Pratten, minister of trade and commerce for Australia.

He said: "The variety of climates, soils, and raw materials showered by Nature on Australia enables this continent to develop from raw materials practically every essential industry. We are determined to develop as quickly as we can these essential national industries, and we shall continue to use the tariff weapon as the quickest and best method of stimulating their growth. We are, however, enthusiastic loyalists and pro-Britishers, and I believe that, in addition to the generous preferential treatment given to products of the Mother Country through our tariff legislature, it is possible that further development might take place in the direction of Imperial trade cartels.

"We badly want more people to help us to develop our resources. Clearly no democracy will accept a disordered immigration. The obvious thing for Australia to do is to create more employment and to have more jobs for people to fill. There is a drift to the cities in Australia, as everywhere else, due to modern conditions. It should be remembered that cities are now becoming hives of industry and that the development of agricultural machinery has been so great that one man can do the same work that nearly 20 men were required to do within the memory of the middle-aged man. During my short visit here I have concentrated on the object of bringing home to the British manufacturer the fact that in order to keep his trade in Australia and also to get that of the foreigner he should seriously consider the advisability of opening branch factories in Australia. In this way the aggregate Empire trade would be increased and the British manufacturer would shelter himself inside of our tariff and our strong pro-British sentiment would always be exercised in his favor."

CIGAR MAKERS ASK LOWER TAXATION

Point to Serious Decline in Manufacture of These Smokes

Hearing of the plea of cigar manufacturers for relief from heavy customs and excise taxes on cigars will be heard by the tariff board in September.

In making representations, the cigar manufacturers point to the appalling decline in the past decade and a half. They voice the contention that the increased duties imposed since 1913 were in the nature of war time levies and as such should now be removed.

The reduction in the number of cigar factories in Canada during the past ten years has been 60 per cent. Employment has been seriously curtailed; capital has been penalized and government revenue has suffered, they claim.

In order to restore the industry to anything like its former basis, material reduction in prices to the consumer must be made. Such a reduction is only possible through reduction of the levies which have been imposed on the cigar trade through taxation since 1914, declare the companies.

They therefore ask for the establishment of the following:

(a) Restoration of the 1913 duties on foreign raw leaf, taken for cigar manufacture, viz.:

On unstemmed raw leaf, 28c. per lb.

On stemmed raw leaf, 42c. per lb.

(b) A cigar excise tax of $1 per thousand cigars.

(c) Surtaxes on cigars as under:

On cigars selling under $40 per M., 50c. M.

On cigars selling $40 to $110 per M., $2 M.

On cigars selling $110 to $150 per M., $6 M.

On cigars selling $150 to $200 per M., $9 M.

On cigars selling over $200 per M., $12 M.

The duties named in the request are in excess of the imposts levied by the government when the industry was at its height.

Production of cigars in Canada has dropped from 294,772,933 in 1913 when the 28c. and 42c. leaf duty was effective with a flat excise of $2 per M. to 170,154,652 in the fiscal year ending March 31, 1926.

Loblaw Lets Contract For Toronto Warehouse

The award of the contract for the construction of the warehouse building for Loblaw Groceterias Company, in Toronto, was definitely made this week.

The general contractors will move equipment out to the job at once, and will start at once on the erection of forms and re-inforcing. Pouring of concrete above grade will start immediately.

The building, which is estimated to cost about $500,000, will be located on the Toronto harbor front where foundations are in readiness for the new structure.

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HARVEY, MERCURY NOT INTERESTED IN MERGER PROPOSAL

Turn Down All Proposals For Knit Goods Fusion

There are no longer negotiations actively in process looking to a merger of Mercury Mills, Zimmerknit and Harvey Knitting Co. The plans formulated in the minds of a certain group have failed of being considered by the directors of Mercury Mills which would be the principal unit in the combination and were equally unattractive to Harvey Knitting Co.

A merger of this or a similar group of knit goods companies was contemplated earlier this year. Then the financial interests connected with Zimmerknit decided to place an offering of preferred stock on the market without waiting for completion of the merger plans. It is understood that many former shareholders of Arcade, Ltd., bought Zimmerknit stock when they got cash for their shares in the department store which recently was purchased by T. Eaton Co. A further block of this stock was sold by a Toronto investment house.

No Need at Present

It is understood that the directorate of Mercury Mills, which is privately owned (bonds alone being held by investors), is not especially anxious to see their company in a merger. It is thought, however, that this directorate would not stand in the way of such a step, if a satisfactory arrangement can be made, but to date, the merger proposals offered have not looked attractive to Mercury Mills.

H. G. Smith, general manager and secretary-treasurer, states, "We have been approached many, many times on this subject, but no conversations have reached a sufficiently serious stage to be considered by our directors."

Speaking to The Post this week regarding the rumor that his company would be included in such a merger, K. W. Harvey, general manager of Harvey Knitting Co., said, "Some time ago we were approached by different brokers to enter into some amalgamation. We did not go into any. This company is not interested in any amalgamation."

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Aug. 10	100.1	97.4
Week of Aug. 3	98.6	97.1
Month of Aug., 1926	83.0	75.7
9 Bank Stocks		
Week of Aug. 10	$262	$255
Week of Aug. 3	255	254
Month of Aug., 1926	226	222
10 Public Utilities		
Week of Aug. 10	112	110
Week of Aug. 3	111	110
Month of Aug., 1926	97	93

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	8	1	—	9
Paper	9	2	4	15
Steel	13	7	19	39
Foodstuffs	15	10	19	44
Utilities	8	8	13	29
Tractions	4	4	8	16
Industrials	18	17	28	63
Textiles	5	3	9	17
Total	80	52	100	232

Business Expansion Now at Less Rapid Rate

Business is still expanding steadily, though less rapidly than during last March and April, says the Bank of Nova Scotia. Goods are being moved in large volume and manufacturing industries report another slight increase in their working force. The average of wholesale prices has nevertheless fallen slightly from the June level and now stands almost exactly where is stood in May.

The recent drop in wheat prices was some weeks in advance of the normal summer decline, and is attributable mainly to good growing conditions alike in Europe and on this continent, together with a realization that the carryover from last season shows a considerable increase over last year's figure. The first threat of frost produced a quick recovery. Recent crop reports encourage the belief that the spending power of the prairie farmer will be well maintained during the fall.

Interest centres at present in the building and construction industries. Expansion of business all over the country may be traced largely to this one factor, which is operating as strongly to-day as at any time in the past few years.

Less encouraging, in its bearing upon the future, is the value of building permits issued during the current year. The corrected curve of building permits has been falling sharply since January; and although still somewhat higher than at this time last year, is at present a good deal below the peak. There is a tendency, not clearly marked but natural enough, for changes in the volume of work done in this industry to lag some five or six months behind changes in the value of building permits.

Horses For Soviet Shipped

Completing the first boatload, a train left Alberta during the past week for Quebec, carrying 359 head of horses purchased in the province by officials of the Union of Soviet Socialist Republics. Included in this cargo from Quebec will also be 598 head previously shipped east, bringing the total number of horses purchased by the Russian government in Alberta during the past month up to 957.

There are 67,119 voters in Winnipeg, an increase of 5,457 over 1922.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '56	107	108½
Do., 8s '45	106¾	107¾
Buff Gen Elec 1st 5s '39	104	...
Bfo N & E Pow 5s, '30	102	104
Lockport L H & P 5½ '54	102½	104
N F 1st & con. 6s 1950	105	106
Niag Lock & Ont Pf	113½	115
Niagara Falls Pw. pf.	28	28¾

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PACKING MERGER WILL BE REALITY BY AUGUST 15TH

Eastern Companies Are Doing Well Under Unified Control

P. BURNS AS EXAMPLE

Concern Successful in West Leads to Belief That Similar Progress Can Be Expected in Older Region

By Monday, August 15, holders of 75 per cent. of the "A" stock of the William Davies Co., Inc., must have turned in their certificates for conversion into the 7 per cent. preferred of Canada Packers, Ltd., in order to make the packing merger effective, so far as it concerns the William Davies Co.

Announcement was made June 10 of a proposed merger of Harris Abattoir (including Gunns, Ltd.), Canadian Packing Co. (formerly Matthews-Blackwell) and William Davies Co. Owing to the redemption of the new preferred stock of Gunns, Ltd., prior to purchase of that company by the Harris group, the only public investment interest at the time of the merger was the "A" stock of the William Davies Co. The "B" stock was held by insiders.

Simultaneously with the announcement of the merger, the Dominion Securities Corp. offered first-mortgage bonds of Harris Abattoir. The issue, which was quickly absorbed, was for $4,000,000. The interest rate is 6 per cent., and the sinking fund will retire all the bonds at maturity.

Davies Holders Backward

Certain other property of Canada Packers, Ltd., already was mortgaged, which explains why the new bond issue involved the Harris property alone. The purpose of the loan was to reimburse the company for the cash expended in the purchase of Gunns, Ltd., and for the acquirement of the shares of Canadian Packing Co., which was a subsidiary of Allied Packers, Inc., in the United States.

Holders of Davies "A" stock will get one new 7 per cent. preferred share for each two Davies "A" shares. Thus the Davies "A" was given a valuation, for the purposes of conversion, of $50 the share. It is selling in the market at around $40 and the high for the year has been $45.

It was said this week that some additional certificates must be filed before Aug. 15, in order formally to bring the Davies company into the merger. Undoubtedly, the great majority of holders of this stock are favorable to the merger. The reason that there has not been a heavier filing of certificates is due, it is said, to the fact that it is a stock in which there has been heavy trading with thousands of shares held in brokers' names. The result of this is that there, sometimes, is difficulty in getting through to clients to get their formal consent, while certain brokers are inclined to let others provide the necessary 75 per cent. to secure assent to the merger.

Conditions Improve

It is expected that the few additional shares needed for confirmation of the acts of the directors will be deposited before the end of this week. In any event, the conditions in the packing industry in eastern Canada have been materially improved since the announcement of the merger, and, undoubtedly, the relations established in the last three months would be continued, whether or not there is a formal relationship between the three principals in Canada Packers, Ltd., as tentatively organized.

It is reported on good authority that the packing companies, as a whole, are beginning to make substantial progress for the first time since the post-war deflation. The Harris group was the most successful of the group in eastern Canada for the reason that the company has been exceptionally well-managed and was not confronted with so large an inventory, when the slump in prices came, following the war.

It is noteworthy that the two Canadian packing companies, which have met with considerable success since the war, P. Burns & Co. and Harris Abattoir, were the two which were not caught with large inventories, when the slump in prices hit the packing industry in 1920. It is said that P. Burns & Co. were the first to unload surplus stocks and that when prices dropped, their warehouses were empty. Harris Abattoir, it is reported, was not quite so fortunate, but was in a better position than their competitors in the eastern field.

The benefits arising from the merger of the three leading packers in eastern Canada are not confined to economies of administration and marketing. A better condition prevails in the purchasing end of the business, and it is believed that the company will be able more easily to cope with the peculiar problems facing the industry in the export field.

P. Burns Makes Profits

It can be hoped that the merger in eastern Canada will create favorable conditions, such as prevail in western Canada, where P. Burns & Co. is the parent concern of a number of subsidiaries, which are operating profitably in the marketing of meat and allied products. P. Burns & Co. has keen competition from a number of smaller packers, just as Canada Packers in the east faces competition from concerns located in a number of the smaller cities. But, in the larger operations and in the relations with the retail trade, the company is the important factor in the maintenance of practices and standards, which produce adequate earnings, while the real competition emanating from smaller concerns is a spur to efficiency, as well as evidence that there is neither need nor desire to establish monopoly.

Investors will be interested in noting, throughout the western provinces, where P. Burns & Co. is active in several lines, both as wholesalers and retailers, that the company is popular, despite its magnitude. This is the result, undoubtedly, of fair dealing and good service and operation so efficient that comparatively low prices produce reasonable profits.

U.S. GOVERNMENT SEES MARITIMES TRADE REVIVING

Optimistic Review of Atlantic Coast Provinces Broadcast

The current issue of "Commerce Reports," official publication of the United States Department of Commerce, features a review of trade conditions in the Maritime Provinces. The review is given prominence seldom given an individual article in the United States government paper, and is illustrated with significant pictures.

Based on reports from Trade Commissioner W. L. Donnelly, Montreal, and American consular officers in the provinces, the review says:

The Maritime Provinces of Canada—Prince Edward Island, Nova Scotia and New Brunswick—experienced a particularly severe depression after the war, as the climax of a general decline in commercial activity extending over a considerable period. In the light of recent developments, the crest of the postwar difficulties seems to have been passed in 1925, although a good many favorable factors in 1926 returns failed to stimulate any optimism in trade circles.

In December, 1926, the Royal (Duncan) Commission of Inquiry, appointed by the Dominion Government to inquire into the economic situation of the Maritimes, submitted a report which embodied a very frank discussion of the basic problems of the provinces, with concrete recommendations for their relief in several directions; a few months later, the Canadian Parliament adopted several items of legislation based on the commission's recommendations.

Developments in 1927, while they present no very unusual features, point to a higher level of activity in many lines than for some year. Emigration has been falling off recently, more money is in circulation, bank clearings and savings have improved, and the construction program is better. The tendency to invest in local enterprises is an excellent indication of a growing confidence in the future, for which the so-called "Duncan" legislation is at least partially responsible.

Organization on Primary Products

A picture of the economic organization of the Maritimes, based on 1924 production figures, the latest available, is given the following compilation of the Dominion Bureau of Statistics, and indicates their susceptibility to competition in primary products.

Percentage relation of the value of net production in each industry to the total net output in 1924:

The hard times of the past decade

Percentage relation of the value of net production in each industry to the total net

Prov.	Agriculture	Forestry	Fisheries	Mining	Manufacturing
P. E. I.	83.1	4.2	6.6	....	3.7
Nova Scotia	30.3	11.5	9.1	24.5	17.5
N. B.	27.6	40.4	6.8	2.5	17.2
Av. for Can.	37.8	10.2	1.5	6.5	32.4

have emphasized the desirability of a wider distribution of the productive activities of the provinces, in order to more nearly meet local demand. The present substantial import of foodstuffs is evidence of the need for the development of scientific farming, which has been retarded not only by the traditional preferences of the people, but by the avenues for emigration opened up through the commercial expansion of New England and the West. Consequently, the Duncan commission stressed particularly the expansion of agriculture, the basic industry of the provinces, as a sort of economic gyroscope to balance declining returns from exports of fish and lumber.

Agricultural products will share in one of the major features of the new legislation, namely, the 20 per cent. preferential freight rate on products of the Maritimes. The government grant in aid of technical education in Prince Edward Island has also been defined to include agricultural education.

Co-operative Distribution Becoming Popular

Perhaps the most hopeful feature of the agricultural situation in the provinces is the trend toward scientific farming and co-operative distribution. While popular support of the idea can not yet be compared with that achieved in the Western Provinces, the movement is unquestionably extending with the active assistance of the provincial and federal governments. Potato and apple exports, for which the provinces have long been noted, have had satisfactory export agencies for years; but such minor items as the marketing of wool through the Canadian Co-operative Wool Association, the f.o.b. agreement with the railways for the marketing of Nova Scotia's strawberries, and the co-operation established between the New Brunswick poultry exchange and the western Nova Scotia poultry raisers all indicate a measure of growth which is a fairly recent feature. There is also a very distinct trend toward crop diversification, particularly noticeable in districts which heretofore were noted for their production of lumber. Among the interesting experiments of the Nova Scotia Agricultural Department last year was an attempt to grow flax and hemp and both apparently proved successful.

Extension Work in Agriculture

An agricultural extension service was formed in Nova Scotia in 1926, to organize agricultural work in rural communities and to carry directly to the farmer the latest information covering crop production, livestock development, and co-operative marketing. The provincial government expects to spend $350,000 this year in promoting crop diversification, improving warehouse facilities, and developing new markets.

The livestock and dairy industries of the provinces are turning more and more to the establishment of standards, and with the growth of shipping associations, local clubs, and the general spread of the co-operative idea, production in the next five years should have a solid basis. Creamery butter produced in Prince Edward Island is being successfully marketed in Great Britain in competition with the product from other Dominions, and that province continues to stand out preeminently in Canada as the best example of co-operative egg and poultry marketing.

Fur Farming Growing Industry

A comparatively new industry in the Maritimes is fox farming, an enterprise that has enjoyed a remarkable expansion, particularly in Prince Edward Island, although it is making strides in both New Brunswick and Nova Scotia. Its establishment constitutes a unique instance in which the commercial exploitation of the West has provided the Maritimes with a highly remunerative source of income, so far fairly free from competition. There were about 1,000 fur farms in the Maritimes in 1925, as compared with 600 in 1923. Chinchilla rabbits are also being raised for fur.

Fisheries Fairly Prosperous

The general position of the fishing industry of the provinces is favorable, despite the fact that the catch last year was high and prices low. The superintendent of Nova Scotia fisheries suggests that "never in the history of the fisheries was there greater interest awakened, greater production achieved, wider markets secured, or a brighter outlook for the oldest provincial resources." In pursuance of the recommendations of the Duncan commission, a Deputy Minister of Fisheries was appointed to have entire charge of the fishery activities of the federal department of marine. Arrangements were also completed for the erection of a cold-storage plant in Halifax, with the aid of a government subsidy; one-half of the plant will be utilized for the cold storage of fruit and agricultural commodities. Exports of canned fish, particularly of lobsters and sardines, are increasing, and the companies report a very bright outlook for the rest of 1927.

Lumber Still Depressed

In the present position of the world lumber market, the fact that forest operations continue to account for 40 per cent. of New Brunswick's net production in all lines is to be explained only by the expansion in pulp and paper manufacture, since the other branches of the industry have been severely hit by the competition of western lumber and are in a serious position. The province has large areas of black spruce in close proximity to water powers of some magnitude, a combination of resources highly favorable to newsprint manufacture. In addition to mills already producing, several important undertakings are either under consideration or in prospect, the development of which will provide further outlets for the industry until the export of lumber again becomes profitable. The Nova Scotia branch of the industry is not developed to the same extent as in New Brunswick, but important projects under consideration may augment the demand for raw materials suitable for paper making.

At the present time, lumber centres not connected with the pulp and paper industry are very quiet and there are considerable stocks on hand. Some improvement of the situation in this last particular has been reported very recently, but it is improbable that the movement will materially better the general position in the near future.

Encourage Establishment of Coking plants

Nova Scotia coal has a limited local market for the reason that other sources of supply, more favorably placed with respect to pithead costs and freight rates, are able to supply central Canada at more advantageous rates. Cape Breton mines, however, have been fairly well employed since the termination of the labor difficulties of 1925, and should be further favored by the provisions of the recent legislation to encourage the establishment of coking plants. Under the terms of the act, any person may contract with the Minister of Mines for the benefits of a government subsidy for a period not exceeding 15 years, the Dominion sum to equal 4 per cent. of the cost of constructing a new plant for the coking of coal, 70 per cent. of which must be from Canadian mines. A sliding scale is introduced, by which the amount appropriated by the government is estimated to decrease, from 86 cents per ton for plants using the full percentage of Canadian coal required down to nothing whatever for plants using only 50 per cent. of such coal. Under the new legislation, plants already established in the Dominion will receive no assistance. While this legislation applies also to western Canada coal, it should broaden the market for Nova Scotia's output, which is practically confined at present to the steel plant at Sydney, to the smaller consumers in the Maritime Provinces and the St. Lawrence Valley, and to ships' bunkers in eastern Canada. Presumably, it was intended to counteract the effect of the drawback on coal used for metallurgical purposes, since the high cost of coke has been cited by the steel industry as detrimental to its competitive position.

Lower Taxation to Stimulate Trade

The nationalization of the ports of St. John and Halifax, with the provisions for the lump-sum grants to the provinces embodied in the Duncan legislation, should materially lower their debt burdens and eliminate budgetary deficits without increasing provincial taxation—frequently cited as a substantial handicap to some industries. In the case of St. John, it is anticipated that better loading facilities will be provided, so that the congestion in evidence last year for lack of elevator facilities will be remedied and the grain-handling capacity of the port increased. Halifax has been under a government board heretofore, and a considerable expenditure has already been made for the extension of freight and passenger facilities, so that the appointment of the proposed harbor board will not involve such a radical change as at St. John, where the question of nationalization had been rejected by popular referendum on several previous occasions. The proposed harbor commissions will endeavor to develop an all-year program, which will serve to balance the seasonal activity thrown on the Atlantic ports when the St. Lawrence is closed to navigation.

The British West Indies treaty, ratified in April of this year, may develop some further opportunities for trade through the Maritimes, although it seems unlikely that any great expansion will follow immediately. The government steamship service, provided for by the agreement, will ply between Halifax and West Indies ports, and if the treaty has the desired effect of increasing the direct trade in West Indian products, refining and marketing arrangements may gradually bring about some expansion of commercial facilities.

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DEMANDS FOR COAL REFLECT PROSPERITY

Twelve Months See 20 Per Cent. More Coal Made Available

The better business conditions in Canada are not only increasing the demand upon Canadian coal mines but are leading to larger importations of American coal.

The total amount of coal made available for consumption during the twelve months ending May was 36,549,060 tons, as compared with 30,242,352 tons a year ago.

The output of coal from Canadian mines during May decreased one per cent. from the production in the preceding month, but it was 43 per cent. greater than the average for May in the past five years. The figures were 1,304,520 tons in May as against 1,314,242 tons in April and an average of 906,063 tons for May during the five preceding years.

With the exception of Nova Scotia all the coal producing provinces showed a decrease in production as compared with the preceding month. Nova Scotia, Alberta and British Columbia showed increased outputs over the average for the month in the five preceding years.

Comparison of May and April figures covering the total importations of coal showed an increase of 53 per cent. from the preceding month, and an advance of 48 per cent. above the average importations of coal for the month for the past five years.

Imports in May amounted to 1,719,425 tons as compared with 1,120,086 tons in April and the five-year average for the month of 1,161,101 tons. Receipts of coal from the United States during the month amounted to 1,598,391 tons, and from Great Britain 121,034 tons. For the first five months of 1927, the total amount of coal imported into Canada was 7,217,168 tons, which was 26 per cent. above the five-year average for the period.

Imports of anthracite totalled 375,830 tons in May of which 279,285 tons came from the United States and 96,545 tons from Great Britain. This total was 193,694 tons more than the tonnage imported in April. Entries through the ports of Ontario accounted for 185,874 tons; through the ports of eastern Canada 189,779 tons; through the ports of Manitoba, 177 tons. The total amount of anthracite imported during the five months ending May was 1,228,642 tons, a decrease of 20 per cent. below the five-year average per period.

Bituminous coal imported during May amounted to 1,343,338 tons which was 405,682 tons higher than the tonnage imported in April. In addition, 257 tons of lignite were imported. Entries through the ports of Ontario accounted for 1,153,012 tons; Quebec 164,092 tons; Manitoba, Saskatchewan, Alberta, British Columbia and Yukon, 10,930 tons; the Maritime provinces cleared 15,303 tons. Lignite coal imported into British Columbia totalled 257 tons. Bituminous coal imported during the five months ending May totalled 5,984,530 tons, an increase of 56 per cent. above the five-year average for the period. Lignite imported during the same period amounted to 3,996 tons.

Exports of Canadian coal for the month of May were considerably higher than the figures for the preceding month. The quantities were: May, 84,755 tons; April, 25,220 tons; there was thus an increase of 59,535 tons. Exports from the eastern provinces amounted to 34,189 tons; those from the western provinces totalled 50,566 tons. Comparison of May exports with the preceding five-year average showed an increase of 43 per cent. Total exports for the first five months of the calendar year amounted to 533,545 tons or 20 per cent. above the five-year average.

Computed from figures on output, imports and exports, the quantity of coal made available for consumption showed an increase of 22 per cent. from the figures for the preceding month. During May, the total was 2,939,190 tons, as against 2,409,208 tons made available during the month of April. In comparison with the five-year average for the month, the May available tonnage was higher by 46 per cent. The total coal made available for consumption during the twelve months ending May was 36,549,060 tons as compared with 30,242,352 tons a year ago.

EXPECT MONTH TO ELAPSE ERE BESCO DECISION

Court Criticizes Hayden, Stone for Letter to the National Trust

It will be three or four weeks, probably, before the five judges of the Nova Scotia supreme court, sitting in banc, hand down their decision on the appeal of the Dominion Steel Corp. from the decision of Justice Chisholm that the corporation be liquidated, with the Royal Trust Co. as liquidator.

The argument on appeal was concluded Aug. 6, after four days. In the course of this argument, Justice Rogers, voicing, he said, the unanimous opinion of the court, declared that the open letter of Hayden, Stone & Co., Boston investment house, was in contempt of court. This open letter and subsequent documents were addressed to National Trust Co. National Trust declined to comment on the open letter on the ground that the case was before the courts.

Much of the time of the court was taken up with a highly technical argument as to whether or not the substratum of the steel corporation had been destroyed. Destruction of the substratum means, in effect, that the original purposes of the corporation had not been carried out. I. F. Hellmuth, for the corporation, contended that the powers of the corporation, as set forth in the original incorporation papers, were broad and that, at least, some of these had been fulfilled.

Glyn Osler, K.C., for the National Trust and other interested parties, held that the purpose of the incorporation was to unite the properties of Dominion Coal Co. and Dominion Iron & Steel Co. into one company. As proof of this, he pointed out that nearly all of the capital of the Dominion Steel Corp. had been used to acquire the stock of Dominion Coal and Dominion Iron & Steel. Thus, it was apparent, he contended, that the substratum had been destroyed for the reason that the iron and steel branch of the industry had been forced into receivership. The other two grounds, on which National Trust bases its case are that the capital has been impaired and that shareholders have lost confidence in the management.

Forecast Good Tobacco Crop

Tobacco prospects in Quebec are excellent, according to the statistical branch of the Provincial Secretary's Department. Although the crop has been none too good in the Montreal district, where it has been subject to too frequent rain, the reports from other regions are highly encouraging.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	98½	..
Brooks Motor, 1 pref. & 1 com.	3½	4½
Can. Machinery, com.	5	7
Can. Westinghouse, com.	170	..
Chase, A. W., com.	3	7
Do., pref.	55	..
Dom. Combing Units	12	..
Fanny Farmer, com.	28	30
Do., pref.	31	33
Farmers Dairy, com.	100	..
Farmers Dairy, pref.	100	105
Goodyear Tire, com.	170	..
Goodyear Tire, 6% pref.	99½	100
Goodyear Cotton, pref.	94	..
King Edward Hotel, Deb. A.	70	74
King Edward Hotel, Deb. B	58	63
Loew's Buffalo, pref.	30	35
Nat. Grocers, 1st pref.	94½	97
Nat. Grocers, com.	1	4
Mortgage Discount, pref.	6	7¾
Toronto Finance, pref.	3	4
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	110	...
Canada Life	900	..
Canada National	15	18
Capital Life, 20% Pd.	23	25
Casualty of Canada, Full Pd.	185	..
Commonwealth, 10% Pd.	20	24
Confederation Life, 10% Pd.	75	..
Continental Life, 20% Pd.	54	58
Crown Life, Full Pd.	210	..
Dom. of Can. Guar. & Accident	300	325
Dominion Fire	100	..
Dominion Life, 50% Pd.	400	..
Excelsior Life 30% Pd.	75	...
Federal Fire, 25% Pd.	30	...
Fidelity of Canada, Full Pd.	120	135
Great West Life, Full Pd.	420	440
Imperial Life, 85% Pd.	375	...
Manufacturers Life, 40% Pd.	300	350
Monarch Life, 10% Pd.	40	42
Montreal Life, 20% Pd.	54	58
National Life, 25% Pd.	72	75
Ontario Equitable, 10% Pd.	30	33
Security Life, 40% Pd.	..	20
Sovereign Life, 25% Pd.	40	43
Sun Life, 75% Pd.	1025	1100
Toronto Casualty	27	30

Dividends Declared

Company	Rate	Date	Record
Penmans, com.	$1	Aug. 15	Aug. 5
Do., pref.	1½%	Aug. 15	Aug. 5
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 15
Inter. Paper com.	60c.	Aug. 15	Aug. 1
Bank of Toronto	3%	Sept. 1	Aug. 15
Royal Bank	3%	Sept. 1	July 30
Bank of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Famous Payers, pfd.	$2	Sept. 1	July 30
Brazilian Tr., com.	1½%	Sept. 1	July 30
Belding, pref.	1¾%	Sept. 15	Aug. 31
Para. Osh Theat. pfd.	1¾%	Aug. 15	July 30
Can. Converters	1¾%	Aug. 15	July 30
Can. Cement pfd.	1¾%	Aug. 16	July 31
Pure Gold Mfg.	50c.	Aug. 15	July 30
Brading Brew.	50c.	Aug. 15	July 30
Canada Bread com.	$3	Sept. 1	Aug. 15
Lake of Woods com.	3%	Sept. 1	Aug. 20
Do., pref.	1¾%	Sept. 1	Aug. 20
Massey-Harris, pfd.	1¾%	Aug. 15	July 30
Bank of Montreal	3%	Sept. 1	July 31
Mansfield Theat., pfd.	7%	Aug. 15	July 30
Ont. Steel com.	1+1%	Aug. 15	Aug. 1
Do., pref.	1¾%	Aug. 15	Aug. 1
Dom. Bridge	1%	Aug. 15	July 30
National Brick pfd.	1½%	Aug. 15	July 31
Wayagamack	75c.	Sept. 1	Aug. 15
Page-Hersey, com.	75c.	Oct. 1	Sept. 20
Do., pref.	1¾%	Oct. 1	Sept. 20
Hiram Walkers	50c.	Dec. 15	Nov. 30
Canadian Oil	25c.	Aug. 15	Aug. 1
Do., pref.	2%	Oct. 1	Sept. 15
East Koot. pr. pfd.	1¾%	Sept. 15	Aug. 31
Can. Car pref.	1¾%	Oct. 10	Sept. 26
Cosmos Imp. pref.	1¾%	Aug. 15	July 30
Bk. Can. Nationale	2½%	Sept. 1	Aug. 15
C. P. R. com.	2½%	Oct. 1	Sept. 1
Do., pref.	2%	Oct. 1	Sept. 1
Kelvinator pref.	1¾%	Aug. 15	Aug. 5
Loblaw com.	25c.	Sept. 1	Aug. 18
Do., pref.	1¾%	Sept. 1	Aug. 18
Can. Fdrys pref.x	1½%	Sept. 1	Aug. 15
Ott. & Hull Pr. pref.	1¾%	Sept. 15	Aug. 31
Crows Nest Coal	1½%	Sept. 1	Aug. 10
Wright-Har.	5c.	Sept. 1	July 30
Manu. Fin. pref.	4%	Aug. 15	June 30
Imperial Oil	25c+12½c	Sept. 1	Aug. 15

Stock Redemption

Dom. Rad. pfd. Sept. 1, 15,484 shs. at 101.75.
McColl Bros., conv., pref. Sept. 1, at 107.50.

xOn arrears.

Canada Biscuit Outlook Better it is Reported

Although actual figures have not been published, it is asserted by authorities that earnings of Canada Biscuit Co. are fairly satisfactory. Sales have been stimulated considerably by a vigorous advertising campaign, and indications are that new trade acquired can be maintained.

It is not denied that the company still is facing difficulties of co-ordination and consolidation, which are the direct outgrowth of the merger of Canadian biscuit manufacturers between Moncton and Edmonton, with the McCormack plant in London as the headquarters and principal factory. The Perrin plant in London was purchased outright, following the merger of the five biscuit companies and the one feed company.

Investment interest in this company is confined to the bonds, of which $2,200,000 are outstanding. These are a first charge against all the property of the company. The sinking fund of 2¼ per cent. becomes operative May 1, 1928.

NATION'S BUSINESS

(Continued from page 1)

right or wrong. Where the policy has been framed with the leader of the opposition taking his part in the discussions this petty and local political byplay can be avoided and the nation's business speeded up.

• • •

THE chief complaint heard from Western protagonists of the Hudson Bay Railway when the Government appointed Frederick Palmer to survey the possible terminal sites, was that the attempt to choose between Fort Churchill and Port Nelson was merely a subterfuge to delay the whole project. "Perhaps Churchill has the better harbor," they argued, "but Nelson was originally selected and we ought to go ahead and finish the line to Nelson without delay; Churchill simply means more delay." What will these people say now that Palmer has decided to recommend Fort Churchill as a terminus?

Canada as a whole is not very strong for the Hudson Bay route. A limited area in the west is asking for it. The rest of Canada thinks that it is a project that may well wait for larger population in the west and a stronger financial position in the country. But Canada as a whole will feel that if the project is indeed going ahead, it should be built to the best harbor on the Hudson Bay, and will feel also that the few months taken to get the present engineering report will not have been wasted.

• • •

WHILE name after name is mentioned as that of the Conservative leader likely to be chosen at the forthcoming convention in Winnipeg, the star of G. Howard Ferguson, premier of Ontario, remains in the ascendant. There is reason to believe that Ferguson does not want the job; that he would turn it down, if it were offered to him. And Ferguson's attitude is said not to be balanced on the possible interpretation of a six-letter word beginning with "C" and meaning, "You've got to ask me first," as is, apparently, the position of Mr. Coolidge.

If Mr. Ferguson stays out of the contest, who will be chosen? Mr. Guthrie's stock is rising; Mr. Bennett and his friends are saying little. General Macrae's prominent position in connection with the convention has made the East wonder if he is not the dark horse, after all.

Just at this moment, it looks like as though Ferguson could have it if he wanted it, and, failing him in that, Guthrie, if he worked hard, could get the post.

• • •

BY its settlement of the Cornerbrook paper mill debacle, the Newfoundland government has likely achieved two main purposes: To insure continuing and increasing employment for its citizens, and to avoid loss on its guarantee of certain bonds of this enterprise. The terms, on which it has made the arrangement with the International Paper Co., are decidedly better than were originally forecast, and shows a certain amount of willingness to make concessions, on both sides.

The export of raw pulpwood from Newfoundland on payment of a royalty of $1 a cord is the most unfortunate clause. Yet, in connection with this, it must be remembered that such exports will be carefully limited in amount and that they will be from an area that is not promising for paper mill development. It is to be hoped that a time limit will be set upon the period of such exports. Newfoundland should not tie itself down to a perpetual grant of this privilege.

Newfoundland certainly stands to benefit from this agreement during the next ten years, and, perhaps, during the next generation, more than it stands to lose. The only possible causes of trouble would be lack of good faith on the part of the International Paper Co., or financial failure of that company. The first might lead to costly dispute and the second would put the whole situation back where it was before, making new arrangements necessary. But either possibility is decidedly remote.

At the time of writing, the agreement had not been finally passed by the Newfoundland legislature.

MAY BUY P. G. E.

Enquiries concerning possible terms for the sale of the Pacific Great Eastern Railway by the Provincial Government have reached Victoria lately from English interests. These are reported to have been referred by the government to the board of directors of the railway.

RAILWAY EARNINGS

	1927	1926	Change
Week end. July 31			
C. P. R.	$4,816,000	$5,323,000	—$507,000
Week ending Aug. 3:			
C. N. R.	4,592,919	4,696,090	— 103,171

B.C. ELECTRIC LEARNS SECRET OF POPULARITY

(Continued from page 1)

even the most obtuse customer that the adjustment, in either direction, was advisable and in the interest of all concerned.

With rates reasonably low and service fair, the company began judiciously to tell the public that the rates were reasonably low and the service fair. The advertising has been continuous, persistent and cheerful. The bulletins in the "take-one" boxes on the street cars were just frivolous enough in their content and bright enough in appearance to get the attention of the majority of riders. One suspects that the jokes interspersing the pages were not placed there merely as space fillers. The bulletins, giving news and legitimate propaganda, are an appealing type of street-car reading. Good paper and printing were not scorned.

B. C. Electric, say some of the old-timers, used to be a well-hated company. It is now a well-liked company. Perhaps, the service has been improved more than skeptics will admit, perhaps the customer-ownership campaign has been the important factor. But one suspects that the bright and pervasive publicity has had more to do with the change in the public's attitude than anything else. There have been instances of good service being spoiled by a reticent attitude on the part of the company. Utilities, which are not conducted openly are objects of suspicion.

Plans Long Development

The first power from the Bridge River development will be delivered, it is expected, in 1931. The company is not rushing the job for the reason that the tunnel, which is the principal expense, can be built more cheaply from one end, the lower end. If the work were also carried on from the upper end, there would be an expensive drainage problem. Ultimately, Bridge River will give B. C. Electric 700,000 horsepower, but the company does not expect to need that amount prior to 1950.

Pay Usual Preferred Dividend of Wm. Paterson

The directors of William Paterson, Limited, Brantford, have received the report of the company's operations for the first six months of the year. Gratifying progress was reported, the sales for the first half of the year being greatly in excess of the amount anticipated. Plans were developed for taking care of the very heavy business between now and the end of the year, it being certain that the plant would have to be run over-time.

Some 220 employees are on the payroll of the company and the directors express their approval of the management for their success in handling the company's affairs. After providing for the interest on the bonded indebtedness and setting aside a a good reserve the directors authorize immediate payment of the half year's dividend on the seven per cent. preferred stock.

Stock Market Record

WEEK ENDING AUGUST 9

	Div. Rate	Yield Aug. 8	High for wk.	Low for wk.	Close Aug. 9	Close Aug. 2	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	4.99	262	259	261	259	167	263½	228
Dominion	12+1	5.34	245	243	245	242	138	245	217
Can. Nationale	10	5.71	175	171	175	171	38	175	160½
Imperial	12+1	5.67	229	228	229	228	53	236	214
Montreal	12+2	4.45	315¼	302	315	301½	78	315¼	272
Nova Scotia	16	4.78	340	333½	340	335	208	341	298
Royal	12+2	4.89	290	285	290	285	537	291	257
Standard	12	5.45	223	220	220	221½	57	227½	196
Toronto	12	4.83	249	247¾	249	248½	314	250	227
Paper—									
Abitibi, com (no par)	5	4.85	103	99¾	102	101	1925	103	82
Do. pref.	7	6.03	..	...	...	...	...	119	113
Belgo-Can., pref.	7	6.74	104	103¾	104	103	130	105	101
Brompton (no par)	$2	5.67	35¾	35	35	35	700	36¾	31
Fraser, pref.	7	7.25	97	96	96⅝	96½	15	99⅞	96
Inter. Paper, c. (no par)	$2.40	4.21	59	52⅝	56	54	75100	60⅞	39½
Do. pref.	7	7.03	..	...	...	...	...	99½	98⅞
Laurentide	6	6.21	97½	95¼	97¼	97½	1941	110⅝	90
Price Bros., com.	2	3.63	60	55	60	60	118	63	51¼
Do. pref.	6½	6.35	102½	102	102½	102	42	104	100
Smith, Howard, com.	.	....	62	60	62	60	7	68¾	59
Do. pref.	8	7.17	110	110	110	111½	1	112	108½
Span. River, com.	7	6.69	104½	101	103⅞	101	1081	104½	97⅛
Do. pref.	7	5.88	120	117½	119	117	127	120	110¼
Wayagamack (no par)	$3	4.76	64	61⅛	64	60	1640	64	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1	⅝	1	⅝	785	1⅝	½
Do. 1st pref.	.	...	21½	21½	21½	22½	60	29¼	10
Do. 2nd pref.	.	...	1½	1½	1½	1½	100	4	1
Can. Car & Found., com.	.	...	36¼	36¼	36¼	36	30	50¼	35
Do. pref.	7	8.00	88	87	88	87	41	94½	86¼
Can. Fairbanks, pref.	6	6.31	95⅛	95	95	90	25	95⅛	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	†1½	...	72	71	72	80	60	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	60	49
Do. pref. (par $50)	7	6.03	59	58	58½	58½	140	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.53	..	...	...	...	...	89	81½
Carr. Factories, com.	.	...	...	...	...	...	...	¼	¼
Dominion Bridge	4	2.26	180½	177	180½	180	640	193½	116¾
Dominion Coal	.	...	..	...	...	...	...	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Radiator, pref.	7	6.96	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	32¼	32¼	32¼	31	70	32¼	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	8	8	8	8½	50	15	8
Do. pref.	7	8.23	..	...	...	...	...	95	85
Massey-Harris, c. (no par)	.	...	39½	37¼	37¾	38	21671	42¾	29
Do. pref.	7	6.51	107¾	107¼	107¾	107½	447	109¾	103½
McKin. Ind., c. (no par)	.	...	24	24	24	23¾	203	25½	15
Do. pref.	7	7.38	95	95	95	94¾	20	97	93½
Do. Vot. Trust	.	...	24	24	24	25	115	26¾	15
Ontario Steel, com.	4+1	5.26	95	95	95	94	25	95	73
Do. pref.	7	6.66	105	105	105	105	10	105	100
Page Hersey, c. (no par)	$3	4.13	72¾	72	72	72½	1040	75½	55½
Do. pref.	7	4.76	148	145	145	143½	401	150	116
Pressed Metals, com.	3	...	40	39	39	43	55	46¾	34¼
Do. pref.	7	7.77	..	...	...	...	...	90	85
Russell Motor, com.	3	5.00	..	...	...	...	...	60	52
Do. pref.	7	7.36	95	95	95	95	10	99	90⅛
Steel of Canada, com.	7	5.00	142	137	140½	137	994	142	117
Do. pref.	7	4.89	143	141	143	140	30	143	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	22½	22¼	22¼	21½	135	27¼	19½
Do. pref.	7	7.77	90	88½	90	88	188	92	85
Arnolds, c. (no par)	.	...	16	14½	14½	16½	196	26	10½
Do. pref.	7	8.53	..	...	...	...	...	95	82
Atlantic Sugar, c. (no par)	.	...	25	23½	24	24½	585	32	21¾
Do. pref.	.	...	92	92	92	94½	10	101¼	90
B.C. Fishing, c. (no par)	$1.25	7.81	18	16	17½	18½	347	22	14⅝
Do. pref.	7	8.75	81½	80	81	81½	230	90	79
Can. Bak., c. (no par)	.	...	29¼	29	29	29	30	38½	26
Do. pref.	7	7.01	99¾	99½	99¾	99¾	84	102	97
Can. Bread, c. (no par)	$6	5.08	118	118	118	118	47	120	90
Do. pref. (A)	7	5.95	117½	117	117½	116	43	117½	108½
Do. pref. (B)	7	6.32	110¾	109½	110	109	125	112¼	103
Can. Canners, com.	.	...	50	49	49	49	366	63½	21
Do. pref.	5	5.43	93	90½	91¾	91	1051	97	76
Canadian Salt	8	5.94	134½	134½	134½	134	4	136	123
Christie Br., c. (no par)	$1.20	1.93	62	62	62	61	225	66	38
City Dairy, c. (par $25)	3+1	2.63	152	137½	145	136	651	152	79
Do. pref.	7	5.83	..	...	...	...	...	121	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1½
Do. pref.	.	...	..	...	...	...	...	37	27
Wm. Davies (A) (no par)	.	...	40	39¾	39¾	39½	935	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	19½	9
Dom. Stores (no par)	$2.40	2.85	84¼	83½	83½	84½	477	85½	65
Ham. Dairies, c. (no par)	.	...	28	28	28	31	65	33	24
Do. pref.	7	7.29	96	96	96	96	5	98½	96
Inter. Milling, pref.	7	6.60	106	105	105	104	80	107	104
Lake of Woods, c.	12	8.63	140	139	139	140	80	160	130
Do. pref.	7	5.93	118	118	118	112	2	118	110
Loblaw, com. (no par)	$1	2.00	52	51	52	51	76	52	48
Do. pref.	7	6.36	..	...	...	...	...	111	107
Maple Leaf Mill., c.	.	...	60	58	58	61	55	73¼	49
Do. pref.	7	7.27	96¼	95½	96¼	95½	190	101¼	94
Ogilvie Flour, c. (no par)	5	1.83	..	...	...	...	...	290	205
Do. pref.	7	5.60	125	125	125	125	11	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.00	22	21½	22	21½	170	22	19⅛
Shred. Wheat, c. (no par)	$3	4.81	62¾	62½	62¾	64	235	70½	55
St. Law. Flour, c.	.	...	..	...	...	...	...	31½	25
Do. pref.	7	8.23	81	81	81	81	1	85	80
Viau Biscuits, c. (no par)	.	...	20	20	20	20	110	26	17
Do. pref.	7	7.77	86	86	86	90	3	92½	83½
W. Can. Fl., c. (no par)	$1.40	6.08	23½	23½	23½	23½	5	29½	22
Do. pref.	6½	6.43	..	...	...	...	...	103¼	100
W. Groc., c. (no par)	$1	...	..	...	...	...	...	29	18
Do. pref.	7	9.03	78	77½	77½	74¼	15	84	74¼
Utilities—									
Bell Telephone	8	5.33	150⅛	148⅛	150	150⅛	250	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	181	180	180	180½	123	182	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.36	..	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	8.97	40	39	40	38¼	120	42	28
Do. (B) (no par)	.	...	..	...	...	...	..	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.96	100	100	100	100½	2	100½	97
Laurentide Power	5	4.67	..	...	...	...	...	120	107
Mackay, com.	7	6.18	114	113	113½	113	140	127½	108
Do. pref.	4	5.88	68	67	68	68	69	74	67
Mexican Light, c.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	..	...	...	...	...	120	77¼
Mont. L H & P (no par)	$2	2.39	84	82⅞	84	83⅞	1156	85¾	68⅛
Montreal Teleg. (par $40)	8	5.20	51	51	51	51	47	51½	49
Nor. Mexico Pr., c.	1	...	78	76½	76½	78	95	83	42
Do. pref.	7	7.44	94	94	94	92½	100	94	82½
Ott. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.00	..	...	...	...	...	100	96
Ott. L. H. & Pr., c.	6	5.58	107½	103½	107½	106½	151	108	98½
Do. pref.	6½	6.25	104	104	104	105	25	107½	102
Quebec Power, c.	6	2.26	266	261	261	265	220	311	190
Shawinigan (no par)	$2	2.51	79¼	77⅞	78	79	3908	93¾	67
S. Can. Pr., c. (no par)	2	2.15	95	93	93	92	73	97	85
Do. pref.	6	5.97	100½	100	100½	100	37	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.34	190	187	187½	193½	358	194½	166
Can. Steam., c. (no par)	.	...	..	...	...	...	...	42	35
Do. pref.	6	6.66	90	89	90	89⅞	885	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	1	...	64½	60	64½	56½	605	64½	33½
Brazilian, c.	6	3.59	170	164¾	167¼	170⅛	19269	172	102½
Do. pref.	6	4.31	142½	139	140	143	386	143½	104
Detroit Un. Rly.	.	....	..	...	...	...	...	5	2
Duluth-Superior	$2	8.00	26	25	26	26	129	30⅝	25
Illinois Trac., pref.	6	6.09	..	...	...	...	...	98½	98½
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42½
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.40	185	185	185	184½	30	200	169
Ottawa Traction	4	5.97	..	...	...	...	...	70	64
Porto Rico Rlys., c.	2	2.80	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	..	...	...	...	...	96⅛	90
Twin City, c.	4	7.51	53¼	50	52¼	53	311	66	48⅝
Do. pref.	7	6.79	103	103	103	100½	5	103	100
Winnipeg Elec., c.	2	2.63	77	72¾	76	73	2967	79¾	60⅝
Do. pref.	7	6.73	103½	103½	103½	104	10	105	100⅝
Textiles—									
Can. Conn. Cotton, pref.	4	8.98	44½	44½	44½	44½	10	50	36
Can. Converters	7	7.07	99	99	99	99	46	107½	92
Can. Cotton, com.	8	6.95	115	115	115	124	21	132	115
Do. pref.	6	5.97	100½	100	100½	100	114	100½	95
Can. Woollens, com.	.	...	5	5	5	8	1	10	5
Do. pref.	.	...	60	60	60	60	70	63½	59¾
Cosmos Imp., c. (no par)	.	...	27¾	26	27¾	26⅛	2992	27¾	13
Do. pref.	7	7.16	97¾	97½	97¾	97	40	101	91¼
Dom. Textile, c. (no par)	$5	4.34	115	113	115	113	427	120⅝	105
Do. pref.	7	5.73	122	122	122	122	2	122	117
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	52	51½	51½	51	57	54	49
Montreal Cottons, c.	6	5.21	..	...	...	...	...	117	110
Do. pref.	7	6.14	..	...	...	...	...	118	114
Penmans, c. (no par)	$4	5.33	76	75	75	76	283	79	70
Do. pref.	6	5.88	102	102	102	102	10	105	101
Wabasso Cotton (no par)	6	6.52	..	...	...	...	...	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.61	60½	60½	60½	60½	32	75	60
Do. pref.	7	6.93	101	101	101	100¼	10	102	97½
Asbestos Corp., c. (no par)	.	...	24	23½	23⅝	24	1732	25	20
Do. pref.	7	7.95	88¼	87½	88	87½	510	90	82¾
Brant Cord. pf. (par $25)	8	9.14	22	21½	21¾	21½	442	25	21
Building Products, pref.	7	7.14	..	...	...	...	...	98	93½
Burt, F. N., c. (par $25)	$3	4.91	61	60¼	61	60	266	66	56½
Canada Cement, c.	6	4.05	153¾	147½	152⅝	148	1803	153¾	124½
Do. pref.	7	5.66	123½	120	123½	118¼	47	123½	116
C. Ind. Alc. (no par)	$1.28	3.66	35	34⅛	34½	34½	16071	35	21¼
Can. Oil, c. (no par)	$1	4.54	22	21	22	21	11	24⅞	21
Do. pref.	8	6.83	117¼	116	117⅛	118	45	121	115½
Can. Bronze, c. (no par)	.	...	46½	45½	45½	47	615	50¼	43
Do. pref.	7	6.96	100½	100	100½	100	90	101	98½
Crow's Nest Coal	6	11.53	..	...	...	...	...	71¼	50
Dom. Glass, c.	7	5.90	119	118	119	118½	42	125½	104
Do. pref.	7	6.14	..	...	...	...	...	115	111½
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.21	..	...	...	...	...	97	92½
Famous Players, com.	.	...	30¾	30¾	30¾	30	55	31	20
Do. pref.	8	8.46	95½	94½	95	95	160	101	93½
Gilman, com.	6	5.45	..	...	...	...	...	112	110
Do. pref.	7	6.08	115	115	115	115¼	10	125	110
Goodyear Tire, pref.	7	6.96	100½	100	100	100¼	45	109	94½
Hayes Wheel, c. (no par)	.	...	34	33½	34	33½	100	34	27¾
Do. pref.	7	7.33	96	95½	96	97	55	97	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	90¼	90¼	90¼	92	10	92	85
Hunt's Ltd., c. (no par)	.	...	24½	23	24½	23¼	60	25¼	20
Do. pref.	7	7.69	91	90	90	90	50	95	90
King Edward Hotel	$1	...	40	39	39	42½	54	60	20
Lake Ont. Brew. (no par)	50c	...	30	27½	27½	29⅞	1690	30	24
L. Secord, c. (no par)	.	...	33	32	33	33½	60	35	26
Do. pref.	7	6.36	110	109	109	109	21	112	102
Lyall Construction	.	...	36	36	36	30	5	45¾	25
Loew's, com.	.	...	42	42	42	45	5	47	38
Do. pref.	7	6.84	..	...	...	...	...	105	96½
Muirhead's, c. (no par)	.	...	9	9	9	8⅞	25	9¾	8⅞
Do. pref. (par $10)	1	...	10⅞	10⅞	10⅞	11	100	11¼	10⅞
Nat. Brew., c. (no par)	4	5.63	70⅞	69½	70	69⅞	4380	73½	65
Do. pref.	7	6.51	107½	107½	107½	107	2	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	12.50	56	56	56	56	2	81	56
Pacific Burt, com.	6	6.18	..	...	...	...	...	100	87
Do. pref.	7	6.48	109	109	109	108	8	109	102
Port Hope San., com.	3	2.14	..	...	...	...	...	145	125
Do. pref.	7	6.54	..	...	...	...	...	108	90
Rogers, Wm., com.	.	...	70	70	70	70	65	80	64
Do. pref.	7	7.00	100	100	100	100½	10	102	92
Seagram (no par)	.	...	23¼	22¼	22½	23¼	2610	28⅞	15
Sher-Williams, com.	6	3.75	164½	160	160	165	80	170	142
Do. pref.	7	5.93	118½	118	118	120	35	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	19	19	19	20	20	20	19
Do. pref.	7	7.60	92	92	92	92	80	92	92
Sterling Coal	4	13.33	..	...	...	...	...	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	..	...	...	...	...	72	68¼
Tuckett Tobacco, com.	4	5.26	76	76	76	75¼	10	76	69
Do. pref.	7	6.63	105½	105	105	105	75	107	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.18	..	...	...	...	...	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	5.39	102	102	102	101⅝	4	102	94
Can. Permanent	12	5.39	228⅝	222⅝	222⅝	220½	22	223½	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Huron & Erie	7+½	4.96	..	...	...	...	...	152⅛	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.89	..	...	...	...	...	246	220
Toronto Mtge. (par $50)	10+1	5.37	..	...	...	...	...	103½	100
Union Trust	7	6.19	..	...	...	...	...	113	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98¾	98
Attendu Eng. (par $1)	.	...	17	16½	16½	17½	125	35½	14
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	16⅞	16	16¾	16½	205	20¾	15
Belding, com.	6	8.57	72	67	72	67	85	88	67
Do. pref.	7	7.23	..	...	...	...	...	100	96¾
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brew. & Distil. (par $5)	5	...	6½	6½	6½	6½	100	6½	4½
Brit. Amer. Oil (no par)	80c	3.00	27½	24¾	27	25	20742	28	20
Can. Brewing (no par)	.	...	25½	24¼	25	25	330	30¼	23
Can. Celanese (no par)	.	...	76	74	74½	77½	395	77½	52¾
Do. pref.	.	...	..	...	...	...	...	92	88
Can. Light & Power	.	...	41	41	41	38½	5	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	53½	42
Do. pref.	7	7.14	98	98	98	98	50	100	98
Carling Brew. (no par)	.	...	26	25	25½	25½	1665	28½	22⅞
Cockshutt, pref.	4	5.33	75	69	75	69	389	82	67
Continental Oil	$1	...	16½	16½	16½	17	5	22¼	16½
Cosgrave Brew. (par $10)	$5	5.26	10	9	9½	9	1190	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	54	50½
Com. Alcohol (no par)	.	...	..	...	...	...	...	70	15
Cuneo Press	.	....	..	...	...	...	...	58⅞	58
Dom. Engineering	8	4.21	190	185	190	186	45	190	135
Dom. Power, pref.	7	7.00	..	...	...	...	...	101	100
Dryden Power (no par)	.	...	15	14	14½	14½	1352	15½	9½
E. Dairies, c. (no par)	.	...	27	27	27	27	50	29¼	20½
Do. pref.	7	7.36	..	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Foothills Oil	.	...	2.60	2.00	2.60	2.00	2000	3.25	2.00
Good. & Worts (no par)	$1	2.08	*49½	47½	47¾	48½	860	64	43¼
Chas. Gurd, com.	.	...	37	35⅜	36	37	959	38	28⅛
Do. pref.	.	...	94	94	94	94	6	94	93¾
Hiram Walker (no par)	$2	4.34	48	44⅞	45	50	5565	57¼	28½
Illinois Power, pref.	7	7.00	..	...	...	...	...	101	98
Imperial Oil (no par)	$1.12½	2.33	50½	47½	48	47½	21594	50½	37¾
Imp. Tob., c. (par $5)	6	3.75	8	7⅞	7⅞	8	140	8½	6¾
Inter. Petrol. (no par)	75c	2.34	32⅛	29¾	31	29¼	6331	35¼	28
Inter. Power, com.	.	....	18½	16	18½	17¼	161	18½	14½
Do. pref.	.	...	..	...	...	...	...	90½	85½
Loew's London, com.	25+5c	....	..	...	...	...	...	5¾	4½
Manitoba Power (no par)	.	...	59	54	58½	55	1260	59	50
McColl, com. (no par)	80c	2.00	40	38⅞	39½	39	2175	41	22½
Do. pref.	7	5.85	120	117	117⅝	116	83	120	100
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfection Glass	.	...	..	...	...	...	...	8	7
North. Bak. (no par)	.	...	30	29	29¾	30	1790	36¾	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	...	22⅛	22	22	21	80	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.14	49	49	49	47	5	49	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	95	95	95	99	5	100	95
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Power Corp., c. (no par)	.	...	44½	43¼	43⅞	44½	2780	45	27¼
Do. pref.	6	6.31	95	95	95	95	245	97½	94
St. Maur. Power	.	...	124	124	124	120	10	150	96
St. Maur. Valley, com.	.	...	56¼	55½	56	55½	315	57½	47
Do. pref.	7	7.21	..	...	...	...	...	98	94½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St Law. Pap., c. (no par)	.	...	44	42	43¼	41	390	54	35
Do. pref.	8	7.61	105	105	105	106	1	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12	12	12	12	135	13⅛	12
United Secs., com.	.	...	..	...	...	...	...	70½	48½
Do. pref.	6	5.76	104	104	104	104	30	105¼	103¼
Volcanic Oil	$2.52	...	23½	23	23½	47	718	47¼	23
Do. Rights	.	...	1.15	1.10	1.15	1.10	2630	1.50	.95
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20
Zimmerknit (no par)	.	...	18½	18	18½	18⅝	190	19	18
Do. pref.	7	7.69	91	91	91	91	65	91¼	91

xQuotations for 1926. No sales recorded in 1927 to date.

A.J.Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
BONDS AND SHARES
"Specialists Unlisted Bonds and Stocks"
219 Bay Street, (Ground Floor) Toronto
Elgin: 8101-[illegible] [illegible]

Pulp & Paper

BRITISH COLUMBIA PAPER IS SHIPPED ALL OVER WORLD

South Africa, Orient, South America Receive Coast Newsprint

From Our Own Correspondent.

VANCOUVER.—A striking feature of the pulp and paper industry of the Canadian Pacific coast is the extent of its market territory. Seemingly no country in the world is too remote to be considered outside the British Columbia paper sales field.

Most of the pioneering in this connection has been done by the Powell River Company, which now stands among the chief exporting paper concerns of Canada and probably sells its product to the largest number of countries. Pacific Mills, Ltd., now controlled by the Crown Willamette interests, is another heavy exporter and recently has built up an extensive business with Australia, where the preferential tariff has been a great boon to Canadian paper manufacturers. The British Columbia Pulp & Paper Company, which is the old Whalen Pulp and Paper Mills reorganized has made a strong bid in the Oriental field and is selling large quantities of pulp to Japan.

Ship to South Africa

One of the most important export developments in years was marked by the departure recently of a Japanese steamship from Powell River with 500 tons of paper for Johannesburg South Africa. It was a trial shipment, but may be the forerunner of an important trade movement. British preference there is expected to permit of effective competition against the Swedish and Norwegian newsprint. British Columbia paper companies are negotiating with shipping concerns for the provision of a regular freight service between British Columbia and South Africa. Lumber and canned salmon would assist in making up the cargoes.

One British Columbia paper company is now supplying one large Havana newspaper with its entire newsprint requirements. Recent shipments have gone to Trinidad and Martinique, Argentina, which has an annual paper consumption of 90,000 tons of paper, now buys 12,000 tons from a single B. C. company. Regular shipments are going to Colombia. In fact, the whole of the South American continent is regarded as the legitimate field of the B. C. industry.

FRASER COMPANIES HAVE BETTER PROFITS

Sulphite Mill at Madawaska Brings Earning Power to High Level

MONTREAL.—Fraser Companies are said to have greatly increased earnings in the first six months of 1927 over the similar period in 1926.

This is largely due to increasingly profitable operation of the company's fine sulphite paper mill at Madawaska, which a year ago was just coming into full commercial production and now is operating most satisfactorily at full capacity with substantial orders booked ahead.

Earnings for this year are expected to show still further improvement, because the company's profits on its lumber operations are principally taken into account during the last six months of its year. This year with the substantial improvement in the market for spruce lumber, the company's saw mill earnings should be substantial.

Due to improved earnings, net working capital position shows improvement.

With the Madawaska paper mill operating at capacity, Frasers are now converting into fine sulphite paper approximately half the production of bleached sulphite pulp at the Edmundston mill. It is understood that arrangements are being made for the installation of additional paper machines at Madawaska, thereby bringing the company's production to the point that its entire bleached sulphite mill production will be turned into fine sulphite paper on an increasingly profitable basis.

In comparing Fraser's position with that of other Canadian paper manufacturers, it should be borne in mind that Fraser does not produce newsprint but does produce high grade sulphite and waxing papers, which find a ready market at profitable prices. Frasers are operating at 100 per cent. capacity and their earnings are improving. The average Canadian newsprint producer is operating at approximately 80 per cent. capacity, which is being sold in a market which has a decided tendency towards lower prices. In consequence, Fraser earnings are showing a steady increase as compared with tendency towards decreasing profits which is being experienced by most Canadian newsprint producers.

Pulp and Paper Institute Construction to Begin

MONTREAL.—Work will shortly begin on the construction of the new Cellulose Institute. It will be built on the site of the Forest Products Laboratory.

The new building will house the offices of the Canadian Pulp and Paper Association, the pulp and paper division of the Forests Products Laboratories and the department of cellulose and industrial chemistry of McGill University.

FORESTER'S WORK IMPORTANT IN PULP AND PAPER SUPPLY

His Job is to Insure That Mills Always Have Timber

By W. A. HIGGINS, B.Sc.F.*

Science and the scientist have come to play such an important role in our everyday life that the progress of the world has been more or less placed in the hands of the specialist. It is not surprising, therefore, that the pulp and paper industry in Canada is depending more and more each year on the services of technically trained foresters for the solution of the problem of future pulp wood supply.

Monthly the figures of pulp and paper production increase over previous returns and annually the investment of the pulp and paper industry in Canada grows greater. It is a logical question to ask: "Where will it end?" "How long will our pulp wood limits last?" The problem of future pulp wood supply is most important as it is only by maintaining a continuous supply of raw material that the great investment in the pulp and paper industry can be continued.

Many of the large mills now in operation are entirely dependent upon their present limits for their future wood supply. Increasing competition in the industry with an increasing demand for unopened limits makes it difficult for a company operating in one district to obtain new sources of supply at an economical distance from its mill. To the forester the pulp and paper industry of the future must look for the production of its future wood supply.

Principle of Sustained Yield

The practice of forestry is based upon the principle of sustained yield or a continuous production of wood crop of a desired standard at the most economic cost. The many branches that comprise the science of forestry are all directed toward this end and it is for this purpose that the forester has received training.

The first step in connection with forest management is a complete survey of the wood capital on hand and the forestry departments of all pulp and paper companies are engaged in this work. The extensiveness of this inventory is dependent, of course, upon the amount of money available as well as the records already at hand. The more extensive surveys not only operate from accurately established base lines to which all survey lines are tied in but use the aerial survey as a supplement. In this way accurate maps of previously unknown country can be made and aerial photographs enable the visualization of limits far remote from headquarters long after the survey has been made.

What Proper Survey Does

The forest survey as made by a technically trained man can give not only the volume and condition of timber on specified areas but the topography of the country, such as contours and watersheds, the logical location of haul roads and camp sites, the condition of the stand from the aspect.

Revolutionizing Fire Protection

Forest management and sustained yield are, of course, impracticable if the forest is not protected from forest fire. While few companies maintain their own system of protection as separate from the provincial or Dominion system, it is a problem that the forester is continually forced to consider. Within the last fifteen years the forest fire protection systems of the continent have been revolutionized, largely due to the efforts of government foresters. The fire ranger is no longer equipped with only a red pail, a red shovel, a red canoe and official sanction to look for fire. Detection of fires from towers and airplanes, rapid communication by telephone and radio, increased suppression facilities by the use of automobiles, gasoline pumps, special water packs and improved tools all backed by more efficient administration are all supported by technically trained men whose profession it is to bring about a perpetual crop from our forest soils.

Paper Companies Start Nurseries

Several pulp and paper companies have started forest nurseries and are following plans to reforest denuded areas in their limits. The most progressive in this respect is undoubtedly the Laurentide Co., at Grand Mere, P.Q. The areas planted are those that, through fire or other causes, have been deforested and upon which there is little hope of natural regeneration for many years. The planting of these areas will reduce the time before a new crop will mature and since conditions in the stand will be partially governed at the time of planting it is likely that such areas will be readily managed on a sustained yield basis.

Where natural conditions of the forest prevail and especially in mixed stands it will require many years and much thought before a perpetual forest crop of some uniformity will be possible and to secure this the attention of a forester is required. Nature will reproduce eventually but seldom in the most desirable fashion in the forest. Here, as elsewhere in our commercial world, Science steps in and re-shapes destinies, in this case the destiny of the pulp and paper industry in Canada.

*In Annual Number of Canadian Lumberman, Toronto.

International Harvester Backs New Coast Mill to Produce News Paper

From Our Own Correspondent.

VANCOUVER. — Preparatory to establishing one of the largest pulp and paper mills on the Pacific coast at the north end of Vancouver Island a big party of surveyors under D. C. Henny, noted hydraulic and dam authority of Portland, Ore., is now in the Nimpkish River country making preliminary tests for the Canadian Forest Products. This company represents the reorganization of the Beaver Cove Pulp & Timber Company, control of which was recently purchased by the International Harvester interests.

An initial expenditure of about $10,000,000 will be made in the establishment of the first unit of what is to be eventually a 500-ton mill. The surveys will take about a year to complete, however. A large outlay will be made in reconditioning the present mill of the company and in construction of a sawmill. It is expected that when the whole plant is in operation a community of about 6,000 people will be supported.

Say Port Alfred Shows Good Earning Power

MONTREAL.—Earnings of Port Alfred Pulp and Paper Corporation are understood to be very satisfactory.

The corporation not only owns and operates a sulphite pulp and newsprint mill, but also has acquired a one-third interest in the entire common stock of Anticosti Corporation, a company which owns the Island of Anticosti, having a supply of pulpwood estimated at 15,000,000 cords. The company's mill has an annual capacity of 34,000 tons of high quality sulphite, and of newsprint 135,000 tons.

It has also under lease or contract an area containing approximately 20,000,000 cords of pulpwood, a factor thus assuring a continuous supply of material for the mill when running at full capacity.

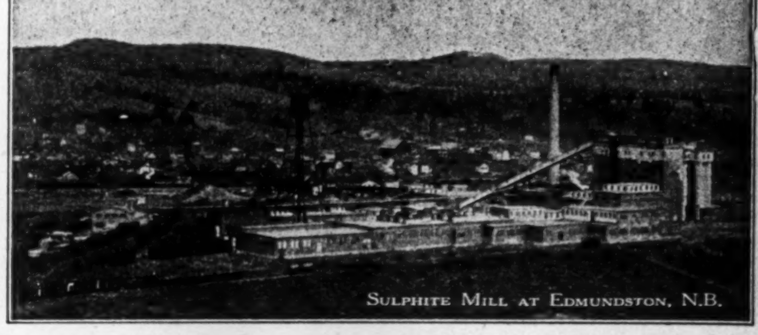
Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.

Cable Address: "SAGUENAY, CHICOUTIMI"

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :: Bleached Sulphite Pulp :: Fine Papers


SULPHITE MILL AT EDMUNDSTON, N.B.

A Complete Service

THIS Company is prepared at all times to solve every problem involved in the burning of fuel, the generation of steam, and the design, construction and installation of equipment for Steam Plants.

We invite correspondence.

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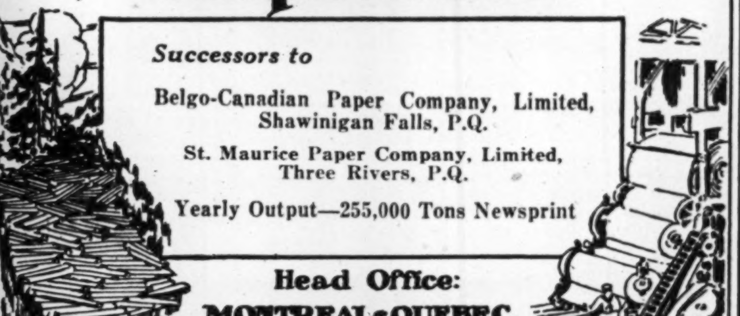
PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

St. Maurice Valley Corporation

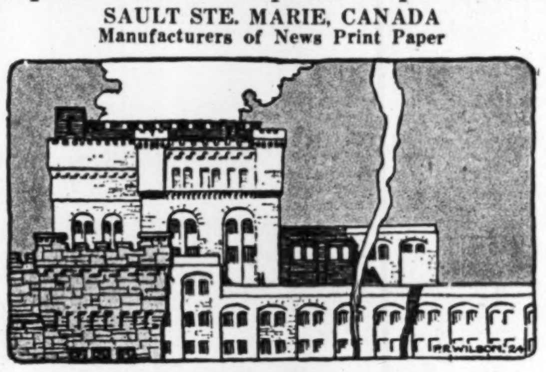


Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint

Head Office: MONTREAL-QUEBEC

H. S. FERGUSON
Member Eng. Inst. Can.; Am. Soc. C. E.; Am. Soc. M. E.
Consulting Engineer
200 Fifth Avenue, New York City.
Pulp and Paper Mills *Power Developments*

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

Wabasso Cottons
are Canada's best

WABASSO COTTONS are equal to the finest products of the English mills in beauty, fineness of texture and durability. And they are made in Canada — from only the finest grade of raw materials.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

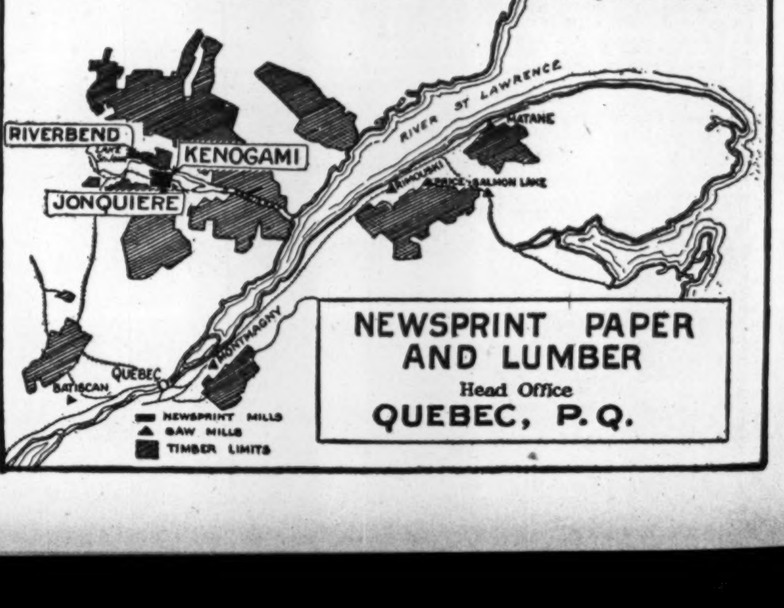
The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

PRICE BROTHERS & COMPANY LIMITED



NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

MERGERS IN FOOD INDUSTRIES SHOW TREND OF THINGS

Some Companies Have Had Unusually Successful Record

The development of the "chain" store in Canada as a growingly important factor in retail distribution, is only one phase in the process going on towards centralizing operations where food products are concerned. This applies not only to retail merchandising, but to manufacturing and wholesale distribution as well. Several instances are provided in a current letter by Johnston & Ward of the consolidation of manufacturing operations in the case of bread, biscuits and milk. Canada Bread, Canadian Bakeries and Northern Bakeries are instances of the first; Canada Biscuit Co. and Christie, Brown & Co. of the second, and City Dairy Co. and Eastern Dairies of the last mentioned. While several of these mergers are only in their infancy, the general results appear to have been increased efficiency in manufacturing, and the cutting down of operating costs.

Among the older established consolidations of bakeries and dairies, the results, on the whole, have been most promising. It should be noted, however, that in Canada, at least, the process of merging, such as has been referred to, has as yet been tested for too short a time and in too few instances to provide a sufficient "experience" from which to form a reasoned judgment. As in the case of chain stores, the tendency of food manufacturers and distributors to unite in order to secure a uniform standard of excellence in manufacturing, and general conditions in the merged businesses, and to cut down selling costs resulting from a multiplicity of warehouse, sales representatives, bookkeepers, advertising and in other directions, seems destined to develop very considerably in the next few years. It is a tendency that is well worth a study to determine the advantages of such a system, in order that the investment buying of the securities issued by such groups may be carried on intelligently.

Tendency Towards Expansion

One of the most notable features of operations, such as these companies represent, is the tendency towards expansion beyond the bounds originally set. City Dairy Co. and Canada Bread Co. have taken in a number of additional concerns in the past few years beyond those grouped in the initial merger. Eastern Dairies started with three plants and now has six, and is likely to add a number of others, as opportunity presents itself. Canada Biscuit Co. started with five separate organizations formed into a single group, and has added two more during the first year of operations. This type of growth is considerably more complex, and requires much more capital than an increase in the number of chain stores—the ease with which the latter can be accomplished is, perhaps, unique in business expansion. A chain group like Laura Secord Candy Shops seems able to make use of current earnings to expand almost indefinitely—for each new store represents a lease only, without property investment, and the cost of equipment is moderate. On the other hand, when Canada Biscuit Co. added two new plants to its organization, it was compelled to make a new issue of bonds to cover the cost.

Advantages Sometimes Delayed

The advantages of a consolidation of manufacturing plants were set forth recently in the prospectus of one group, mentioned above, in the following language: 'The management estimate that the economies in production, shipping, warehousing, selling and management resulting from this merger will increase the net earnings of the company very substantially.' As a matter of fact, this complete result was not realized in this particular case during the first year, in spite of the fact that four warehouses, located in a single city, were reduced to one in number. Other factors incidental to the making of radical changes in the manufacturing processes, methods of accounting, the shifting of territories and changes in sales staffs and in other directions, largely balanced up the savings that worked out readily from the centralized management. The current year, however, is expected to reap the benefit very materially from the consolidation.

One of the companies considered individually in this letter furnishes an illustration of the veering of popular sentiment and support, once it had changed over from having control vested in an outside country to Canadian ownership—Northern Bakeries. This change undoubtedly has been responsible for a large volume of new business, where a couple of years before the reverse process lost the company a large number of customers.

Retention of Marks of Identity

One of the features of the grouping of manufacturing plants of varied lines of trade-marked, or individualized products has been the retention for the most part of the various brands or individual marks of identity. Northern Bakeries has retained the names of the individual bakers that went into the merger, feeling that this would serve to retain the original customers. In cases where the old company had neglected to do this, or had shifted the distribution, so as to make it impossible for customers who had favored one line of bread to continue receiving it, heavy losses in customers were the result. Among biscuit companies the old brands, as a rule, had been retained after the merger, the company considering that the goodwill that had been built up around the special names was of real and permanent value from the selling point of view. An exception seems to apply to consolidated dairies, for both the City Dairy Co. and Eastern Dairies have eliminated a large proportion of the names of individual dairies, and have been successful in holding business under a general name, or, perhaps, the most popular among the groups that once had operated by themselves.

In some instances the old brand name is retained where the product comes from an entirely different factory. This may be considered a somewhat harmless piece of deception, and certainly one that facilitates economies in manufacturing under centralized management.

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

TIMBER EXPORTS KEPT LOW, SAYS B.C. GOVERNMENT

Difficulties of Restriction Are Said to be Largely Offset

By Staff Editor.

VICTORIA.—In answer to opposition critics who advocate a lumber export embargo, government officials explain that the conservation policy has been and is as stringent as circumstances permit. The government has no control whatever over crown grants, which pre-date 1886. The owners of these grants can export every foot of timber without let or hindrance on the part of the provincial government. Legislation designed to prevent export of this timber would run foul of fundamental laws concerning security of tenure, in the opinion of officials.

There is, however, a certain amount of timber exported which is cut from lands other than those granted prior to 1886. In the first six months of this year, this timber totaled 25 per cent. of the total exported. The total exported is about 11 per cent. of the total cut in the province. Thus, of 1,211,000,000 board feet cut in the first six months, approximately 36,000,000 feet were exported under special permits. Apparently, the only criticism, which can be leveled at the government concerns these 36,000,000 board feet.

No Mere Export Mills

The export committee, which recommends action by the minister, is composed of representatives of loggers, millmen and the forestry branch. Applicants for export permits must convince this committee that the timber to be exported cannot be marketed in the province. In many cases, it is said, the committee turns down applications, and in some cases, where the committee has recommended the issuance of the permit, the ministry has declined to issue it.

It is declared, further, that the government will not sanction the operation of a mill purely for export purposes, and it is said that the loggers' association is effective in preventing surplus production of logs in normal times.

The figures for the first half of this year are slightly higher than the corresponding half of 1926, owing to the backward spring, but it is believed that the year, as a whole, will show no increase in export.

New Director for Trust

Announcement is made that Hon. W. E. Foster, LL.D., of St. John, ex-premier of the province of New Brunswick and chairman of the St. John Harbor Commission, has joined the board of directors of Diversified Standard Securities.

Twenty new industries have established in Winnipeg since January. Twenty more are in prospect.

THE SHERIDAN NURSERIES LIMITED
offer
CANADIAN GROWN
Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses
4 St. Thomas St., Toronto 5

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

Has New Yield Basis Been Reached Now?

Craig, Luther & Irvine See Public Satisfaction With Current Yields

The past month has witnessed the orderly recovery of the Canadian stock markets from the sharpest and most pronounced reaction since the Spring of 1926, says the market review of Craig Luther & Irvine, Montreal. This recovery set in after a couple of weeks of the downward movement, contrasting in this respect with the break of 1926 which influenced prices for the next two or three months. By the end of July, 1927, the market had recovered the greater part of the decline of June, and in some of the most active stock prices were higher than before the break. It should be noted also, when comparisons are suggested of the reactions of 1926 and 1927, that the market average of 50 or more representative industrials had reached a level some 45 points above that of 1926 before the break in that year; that while the low level to which the averages was carried in 1926 was 14 points below the high, the low of 1927 (down 10 points as compared with the 1927 high) was still 26 points above the high of 1926 before the break, or 40 points above the low of 1926. That is, current levels are far above those of 1926 at the time of the reaction. This situation may be illustrated thus:

High of 1926 before March break ..	145
High of 1927 as result of break	131
High of 1927 before June break	181
Low of 1927 as result of June break .	171

It will be seen, therefore, that the average level to-day is materially higher than one year ago, with correspondingly lower dividend yields from a percentage standpoint. This is an important point to consider in reaching a conclusion as to what securities may be considered as reasonable investments at current market levels and under existing conditions, in so far as the corporations themselves are concerned.

The rapid recovery from the break of June last undoubtedly was influenced by three elements at least. The shifting of holdings that is inevitably the result of any sharp decline in prices of securities had rendered the position of the market technically stronger. For many of the extreme speculative accounts had been replaced by those of a more investment character, little disturbed by or dependent on day-by-day fluctuations of market levels. Another factor, largely of a sentimental nature, but always of influence on the Canadian Exchange, was the position of the New York Stock Exchange. With more discrimination than has been shown in Canada, and the continuance of an underlying strength in New York, under the leadership of such basic securities as United States Steel and General Motors, was a powerful influence in the "come-back" of the Montreal and Toronto Exchanges. A third factor in the recovery was the gradual improvement in the tone of reports of the Western crops. The unique prospect of excellent crops for three successive years may, indeed, have been the most potent cause of the improved condition of the Canadian stock markets during the month of July. Nor should the abundance of money available for investment be neglected as a condition common both to New York and Canada; a situation where investors are finding themselves with huge profits accumulated during the past year or two in the upward swing of security levels, eager for reinvestment in a field where these profits had recently been created. It may well be that with business in both countries healthy—without necessarily setting out to establish new "records" for 1927—the investment public will be satisfied to bid up for securities to levels that will reduce the average yield of industrials say from 6 per cent. to 5½ per cent. or even 5 per cent. It may well be that it will be necessary to reconstruct our past theories, possibly permanently or for many years to come, the average levels of the better grade industrials and public utility stocks will be established at considerably higher levels than we had been accustomed in years past to look for, as the centre around which the pendulum would swing. Hence, when Steel of Canada, and Canada Cement, Brazilian Traction, Montreal "Power," Dominion Bridge, Shawinigan, Abitibi and other high grade securities have been mounting to levels far above those that were generally recognized as reasonable a year or so ago, part at least of the reason (as well as special indivdual causes) may have been a change in the public estimate of a fair yield for securities of a type like these.

The Monarch Overall Co., Ltd., of Winnipeg, successfully competed against United States manufacturers at the recent Chicago Overall Exhibition, winning three high awards for Winnipeg-made goods.

(Under construction)
G728

Progress

SOUND business principles and a policy of gradual expansion have marked the steady growth of this Bank for over fifty years.

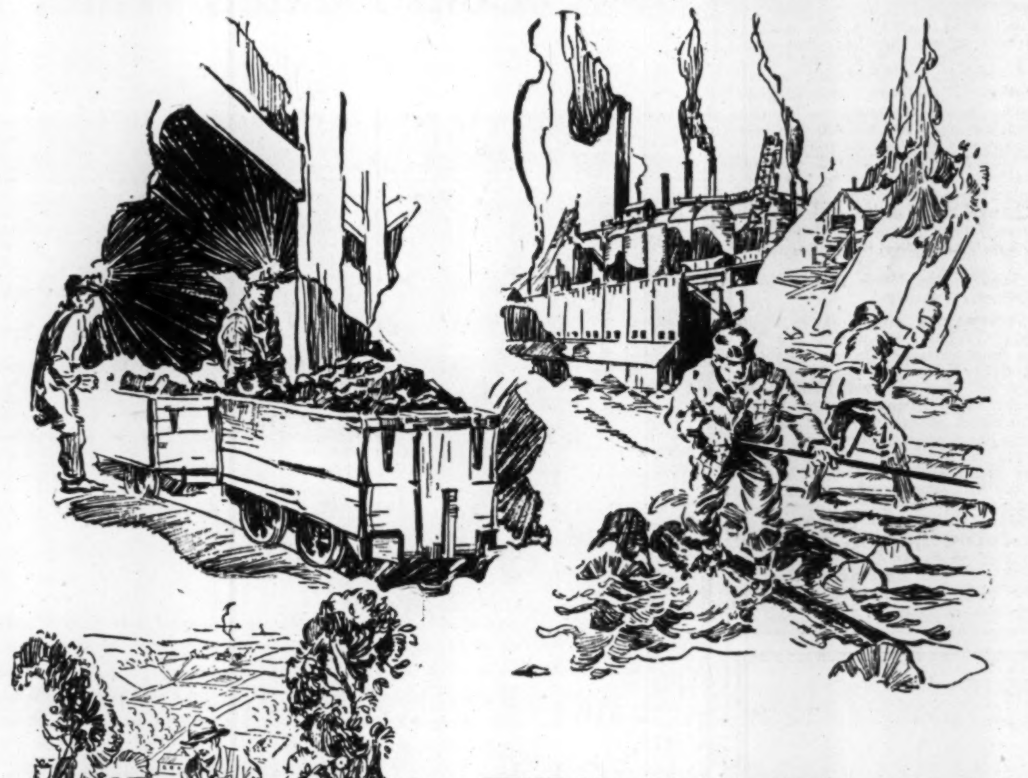
Today, one of the largest and strongest banks in the world, it serves every phase of business and private life at home, and is taking a leading part in the expansion of trade in foreign markets.

The Royal Bank of Canada

Hamilton Street Railway Co. will place an order with the National Steel Car Corporation for twelve new street cars similar to the type placed in commission in May on the Belt Line service at a cost of $240,000. The completion of this order will give the street railway 36 new cars of the one-man two-man type.

MARITIME PROVINCES

Nova Scotia - New Brunswick - Prince Edward Island



NOVA SCOTIA

Agriculture - Field crops average $20,000,000 per annum. Production of apples reaches about 1,750,000 barrels in a good year.

Forests - The forest areas include nearly ten billion feet of saw timber and twenty-four million cords of pulpwood.

Fisheries - This industry produced more than $10-000,000 in 1925.

Mining - The production of coal is rather more than $20,000,000 per annum. There are vast deposits of good quality bituminous coal sufficient to last two hundred years. Other minerals include iron, gold, gypsum, etc.

Manufactures - There are 1,200 manufacturing plants with a capital of $117,000,000, the most important being iron and steel works.

Tourists - More than 100,000 tourists visit Nova Scotia every year.

Navigation - Halifax Harbour is one of the finest seaports in the world.

NEW BRUNSWICK

Agriculture - Dairying flourishes in this Province and farm production is estimated at $40,000,000 per annum. Millions of acres of fertile land are still available for settlers.

Forests - Crown lands of 11,720 square miles include large spruce and pine forests, which contribute much to the wealth of the Province.

Fisheries - The fisheries produce about $5,000,000 of new wealth per annum.

Mining - Although coal underlies much of the Province, only small portions are being worked. Among other minerals are valuable oil shales.

Manufactures - There are nearly 900 manufacturing plants with a capital of approximately $92,000,000.

Navigation - The Port of Saint John is one of the safest on the Atlantic seaboard.

THE history of the Maritimes dawned in the sagas of the Norsemen; the achievements and potentialities of these Atlantic Provinces are deserving of further epics.

Legend tells how in the year 986 Biarne Heriulfsson sighted these shores when adverse winds tossed him from the course to Greenland. Lief Ericsson made a voyage in the year 1000 to find, if he could, the land seen by Biarne. Centuries later—in 1497—John Cabot's discovery of the Island of Cape Breton, converted some of the legend to fact, but the first real attempt at colonization was made under the patent issued by Henry the Fourth of France to the Sieur des Monts on November 8, 1603.

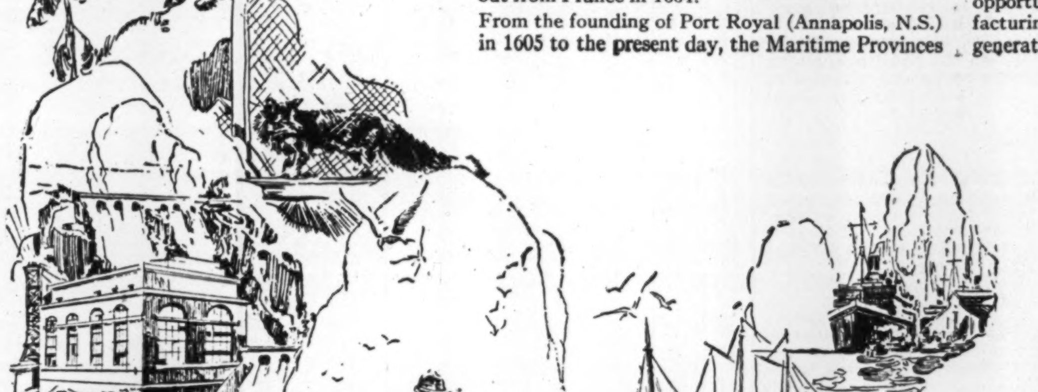
And the new world was known as Acadia.

Champlain accompanied the expedition which set out from France in 1604.

From the founding of Port Royal (Annapolis, N.S.) in 1605 to the present day, the Maritime Provinces have gone from success to success in the task of nation building.

The strategic geographical position and physical resources of the Maritime Provinces make a glorious and prosperous future inevitable. Everything points to the fact that these provinces have already crossed the threshold of a new era of prosperity and if the plans now under way for harnessing their tidal waters prove successful, then that development will be immensely hastened and enhanced.

The Northern Electric Company is proud of the opportunity to take part in this growth by manufacturing much of the equipment necessary for the generation and transmission of electricity.



PRINCE EDWARD ISLAND

Agriculture - Possesses 1,397,991 acres of land nearly all of which is wonderfully fertile, but only a little more than half of which is actually under cultivation in field crops.

Fisheries - Has important fisheries, lobsters and oysters being the greatest source of revenue. Possesses over 200 lobster canneries.

Fur Farming - Is pre-eminent in fur farming, and especially in the raising of silver foxes.

Information

This announcement appears in the press throughout Canada this month. The contributions of Manitoba to the national wealth and resources will be published during September.

1867 · CANADA · 1927

Northern Electric COMPANY LIMITED

Equipment for the transmission of Sound and Power

231

PUTS AND CALLS MUST BE BOUGHT VERY CAREFULLY

Know Your Broker, if You Speculate in This Manner

Better Business Bureaus not infrequently receive from the investing public queries, which begin: "I have been solicited to purchase puts, calls and spreads. You will note the enclosed advertisement refers to a man who 'made millions out of puts and calls.' Is this a legitimate business operation"

It is suggested that the following observations will be of assistance:

1. In even the simplest security transaction, to insure safety, the public should deal only with a broker who is a member in good standing of a recognized stock exchange, or investment banking association.
2. Puts, calls and spreads are technical devices long utilized in stock and commodity market operations. In their legitimate application they may be:
(a) Either a form of insurance against too great loss in speculation, or
(b) A form of speculation legitimate in themselves.

As a medium of speculation, this instrument has recently been appropriated and abused, at the expense of the public, by questionable securities operators.

Description of "Call" and "Put"

A call is an option to buy, and a put is an option to sell. If the customer believes a stock will advance, he buys a call, whereby the broker agrees to deliver on order within a specified time the number of shares at the price set in the option; this price is ordinarily several points in advance of, or "away" from, the stock market price at the time the option is bought. Naturally, if the stock market price rises above the option price within the specified time, the customer, by exercising the option, should be assured a profit which amounts to the difference between the actual and option prices. If the stock does not reach the price noted in the option within the specified time, the purchaser merely loses the cost of his option.

A put is an option to sell and operates similarly in that it obligates the broker to buy from the purchaser at the price specified in the option, regardless of how far below that price the actual market for the stock may fall. Naturally, a put purchaser believes that the market will fall below the figure specified in his option. Any profit accruing to him, would be the difference between the market price and the price at which the broker has agreed to buy from the option holder.

A spread or "straddle" combines both a put and a call and hence covers either an upward or downward fluctuation within a price and time range stipulated in the option.

Puts and calls have been sold in Canada of late. In every case that has come to the attention of The Financial Post they have been in New York stocks. The volume of trading in stocks on the Canadian markets is not large enough to make puts and calls feasible except in half a dozen stocks at most.

Where the Catch Often Is

The catch for the uninformed investor lies usually in the fact that the "points away" are placed so far beyond or below the prices that the stock might reasonably reach that the option purchaser has no chance to profit.

One dealer in puts and calls who advertises for clients in out-of-town newspapers admitted that he never consummated a transaction, but settled with fortunate clients "on differences." This is, in effect, gambling on the market price fluctuations, but he has thus far successfully defended actions by the authorities against his operations.

James C. Auchincloss, president of the National Better Business Bureau, explains thus the extent to which reputable financial agencies countenance and use these market devices:

"Under Sec. II., Chap. 1 of the Rules of the New York Stock Exchange, members are not allowed to deal publicly on the Exchange in puts and calls. This is entirely different from a member endorsing a privilege which may be issued by one of his customers, nor has it any bearing upon a member, upon the request of a customer, purchasing privileges for him.

"Puts and calls when confined to their legitimate usage, are recognized by everybody as being a very proper means of protecting speculative commitments. Dealing in puts and calls for this purpose can scarcely be fairly criticized. This, however, has no bearing upon the business which has developed to a great extent within the past few years, namely, of selling privileges on small lots of stock through the medium of newspaper advertising to the gullible public. A reliable put and call dealer invariably covers his commitments by sales or purchases as the case may be. The put and call advertiser who deals in job lots of stock never does it. He usually writes the privileges at prices so far away from the market that the chance of their being exercised is practically nil. The form of follow-up advertising used by these people is typical. They tell their prospective victims that if they had bought a call on ten shares of General Motors at such and such a price, they would have been able to exercise it at a profit of so many dollars, omitting to state that the chances were they never would have been able to buy the privilege at the figure named."

At present, the best protection for the public is knowledge of the standing of the broker, to whom business transactions of this sort are to be entrusted.

LABOR UNIONS GAIN STRENGTH

Membership Last Year Shows An Increase of 259,712

The widespread organization of labor in Canadian industry, commerce and the professions, is clearly shown in the sixth report of the Department of Labor.

The report also contains the names of associations whose members are concerned with co-operative buying and selling, among which is the Canadian Co-operative Wheat Producers, the largest wheat marketing organization in the world, handling over 180,000,000 bushels of wheat annually as well as more than 20,000,000 bushels of coarse grains. Other associations discussed in the volume include those embracing wholesale and retail merchants, as well as organizations comprised of persons engaged in professional, technical and scientific pursuits.

The various associations are divided into the following groups:

The report points out that in the first eight divisions, in which are included the associations whose members are engaged in industries in which the employment of help is essential, there are 374 main and branch associations, with a combined membership of 44,925. Some of the employers included in these groups have agreements with the corresponding organizations of work people covering the conditions of employment in their respective establishments. In the remaining twelve groups the employment of labor is in some cases only incidental, and with the exception of the retail merchants' section there is no corresponding body of organized employees.

BOOTS AND SHOES GOING UP IN PRICE AS HIDES ADVANCE

Manufacturers Pass on Extra Cost of Raw Material

Shoe manufacturers are increasing boot and shoe prices because of the advance in hides.

Sharp and continued increase in the prices of hides since about February of this year has amounted to 70 per cent. on the average. Quotations for leather already have been increased by 25 to 35 per cent. and are not yet on a basis of replacement cost from hides purchased at the present market prices and further increases may be necessary. The higher cost of their raw materials has left no alternative to the manufacturers of boots and shoes and other leather products, but to increase their prices. The increase in the cost of leather during the past few months represents anadvance of between 10 and 15 per cent., on the average, in the cost of the finished shoes.

Advance Long Time Coming

For about six years prior to the recent advance, prices of hides had been below the quotations before the war. During the war, deep inroads were made upon cattle herds in all parts of the world, and more especially upon European herds, to supply the abnormal requirements of beef and leather. At the close of the war, there were large accumulations of hides and leather. When the depression came in 1920-21, the demand for leather and leather products was curtailed and prices dropped sharply. Because of the poor prices obtainable for cattle, herds were not increased, or were increased only very slowly. The accumulated stocks of hides and leather were absorbed gradually, but the hide and leather industry generally continued in a state of more or less depression until quite recently.

During the last year, world trade conditions have improved. The purchasing power of European countries has strengthened and these countries have been buying more freely than at any previous time since the war. On this continent, too, there has been a considerable enlargement of buying of leather products of all kinds and this has entailed an increased consumption of hides. Stocks of hides in the United States and Canada have been reduced by the increased demand from domestic industries and for export. Up to early in July of this year, Russia had taken about 300,000 hides out of the South American market, as compared with only about 75,000 hides in all of last year. Other European countries are wanting more hides and are competing for them in the markets of the world. The demand has been in excess of the new supplies available and, under these conditions, it was inevitable that prices should advance. Prices of hides have increased on an average about 70 per cent. since February of this year.

Conditions Have Disappeared

The conditions which were responsible for keeping hides at the abnormally low quotations which have prevailed since 1921 have now disappeared. Some fluctuations must be expected, but there is nothing to indicate an early return to the prices of the last several years. Stocks of leather in the hands of the shoe manufacturers were not large, but there has been general reluctance to advance prices on account of the keenly competitive conditions in the shoe trade in Canada. The increase in prices was delayed as long as possible, but has now become general, because no manufacturer can remain long in business if he continues to sell his products at less than the cost of production.

Hides are a by-product from the kill of cattle for meat. Higher prices for cattle on the hoof would encourage the cattle industry to increase production, but cattle prices depend largely on the demand for meat products, which has declined. Moreover, it takes time for young cattle to grow and consequently the lack of balance between demand and supply cannot be corrected immediately. Even though there may be some moderate reaction in the prices of hides, the prices of leather will have to be adjusted more closely to the higher cost of hides and the prices of shoes will have to be adjusted more closely to the higher cost of leather. Indeed, the price advances which have been made so far by most of the shoe manufacturing firms represent considerably less than the advance which should be made to cover the increased cost of production from leather purchased at present quotations.

Sullivan Mine Feat Forecast of Others

Canada will soon have several additional large base metal mines—Frood Copper, Errington zinc-lead, Flin Flon copper-zinc.

What one of these big mines means to Canada is evidenced by the zinc-lead production of the Sullivan mine of Consolidated Smelters. Zinc output advanced 40,000,000 lbs. and lead 30,000,000 lbs. in 1926 over 1925. Sullivan mines of Smelters was practically responsible for the increase. See figures on page 16 of this issue.

ORIGINAL
Melachrino
CIGARETTES
MO54
"The One Cigarette Sold the World Over"

FREEDOM FOR Manufacturers from High Taxes, High Labor Rates, High Labor Turnover, Power Problems, Freedom to Expand on Ample Sites, Permits Concentrated Effort on Production.

We have located plant to the value of over $25,000,000 in the last five years under the above ideal conditions.

WE CAN DO IT FOR YOU

SOUTHERN CANADA POWER COMPANY LIMITED
330 Coristine Building— Montreal

We Have To Offer

Power The lowest power rate procurable anywhere in Ontario for actually available power that can be delivered in quantities. The present rate per horse power per annum, is 11.90 for a ten hour service, and $16.15 for a 24-hour service. The best indication that this unusually low rate will be maintained is the fact that, since the inauguration of this municipally-owned plant in 1901 the rate has tended steadily downward.

Locations Orillia has six or seven parcels of land available for industrial plants, that are offered at a virtually nominal figure. All these locations are supplied with adequate water facilities through the town's splendid water system, some of them have sewerage. They are either on or adjacent to railway sidings, and are in every respect peculiarly desirable locations.

Transportation Orillia is peculiarly favored in its transportation facilities. It is served by both the Canadian National and Canadian Pacific Railways, and inter-switching privileges are afforded between the two lines, giving direct connection with all the consuming markets of the country. Orillia is also served by the Trent canal to the East. Splendid highways permit of road transportation as well.

Labor Orillia has a plentiful supply of skilled and unskilled labor of both sexes, and it has a splendid section surrounding from which competent and intelligent workers can be drawn. It is not a floating working population, but one that is settled and contented. Orillia enjoys an enviable reputation for its freedom from any form of industrial unrest.

Homes One of the main factors of maintaining sound labor conditions is a comfortable home situation. Orillia has this in a marked degree, surroundings of unusual attraction, comforts, conveniences, protections and amusements, in one of the most progressive towns of its size in Canada. The best evidence of this is that 85 per cent. of the citizens own their own homes.

ORILLIA

Detailed information on your particular problems will be gladly furnished on application to

R. H. STARR ORILLIA, ONT.

NEW ISSUE

$7,500,000

Consolidated Water Power & Paper Company

First Mortgage Gold Bonds, Series "A", 5½%, Due 1947

To be dated as of August 1, 1927 To mature August 1, 1947

Authorized Issue, $15,000,000. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only. Interest payable February 1 and August 1, without deduction for the normal Federal income tax not exceeding 2%. Redeemable, at the option of the Company, either as a whole or in part, on any interest payment date, upon 30 day's prior notice, at 103 if redeemed on or before August 1, 1932; at 102 thereafter, on or before August 1, 1937; at 101 thereafter, on or before August 1, 1942; and at 100½ thereafter, prior to maturity. Principal and interest payable, at the option of the holder, in Canadian currency at present par of exchange in Montreal or Toronto at the Bank of Nova Scotia, or in United States gold coin at the First Trust and Savings Bank, Chicago, or at the head offices of

THE NATIONAL CITY BANK OF NEW YORK, Trustee.
FIRST WISCONSIN TRUST COMPANY, Milwaukee, Co-Trustee.

Consolidated Water Power & Paper Company will agree to reimburse to owners resident in the respective states, upon proper application to be specified in the Mortgage, the following taxes paid in respect to these Bonds or the interest thereon: The Four Mills Tax in Pennsylvania; any Massachusetts Income Tax, not exceeding in any year 6% of the interest on such Bonds; and any Personal Property or Exemption Tax in Connecticut, not exceeding 4/10% of the principal in any year.

Mr. George W. Mead, President of the Company, has summarized his letter as follows:

Consolidated Water Power & Paper Company is one of the largest producers of newsprint, wallpaper and high-grade sulphite fibre in the United States. It owns and operates four mills in Wisconsin with a combined output of 400 tons per day, of which about 300 tons is newsprint. A wholly owned subsidiary, the Consolidated Water Power Company, owns and operates, in Wisconsin, three hydro-electric developments with an aggregate installed capacity of 35,000 h.p. Thunder Bay Paper Co., Ltd., another wholly owned subsidiary, owns and operates at Port Arthur, Ontario, a newsprint plant of 125 tons daily capacity, which is being expanded to 250 tons daily capacity, and upon the completion of which the Company will rank among the important Canadian producers. The company and its subsidiaries own, or hold under long-term grant, an aggregate of from 5,000,000 to 6,000,000 cords of good quality spruce accessible to the various mills at reasonable transportation costs.

These Bonds will be secured by a first mortgage on substantially all the real estate, buildings and equipment now owned by the Company, and will be further secured by pledge, with the Trustee, of approximately $3,200,000 of first mortgage bonds of the Thunder Bay Paper Co., Ltd., not less than $1,000,000 of bonds secured by first lien on fee timber owned by the Newaygo Company, Ltd. (a wholly owned subsidiary), and the entire outstanding capital stocks of the Thunder Bay Paper Co., Ltd., the Consolidated Water Power Company, and the Newaygo Company, Ltd. Upon completion of this financing these Bonds will constitute the sole outstanding funded debt of the Company and its subsidiaries, with the exception of $2,000,000 of First Mortgage 5½% Gold Bonds of the Consolidated Water Power Company.

The Mortgage will provide a Sinking Fund to operate semi-annually, commencing February 1, 1928, and sufficient to retire 75%, in principal amount, of Series "A" bonds by maturity.

For the five years and four months ended April 30, 1927, average annual consolidated net earnings, after depreciation and depletion, amount to $1,611,539, equivalent to 3 times combined annual interest requirements of these Bonds and the $2,000,000 of bonds of the Consolidated Water Power Company. For the four months ended April 30, 1927, such net earnings were at the annual rate of $2,091,744, equivalent to about 4 times such annual interest requirements. These figures do not include any earnings from the new paper mill at Port Arthur, Ontario.

On the basis of a consolidated balance sheet of the Company and its subsidiaries as of April 30, 1927, adjusted to give effect to this financing, net current assets amount to $3,235,349, and net tangible assets, after deducting all liabilities except this issue, are equivalent to over $2,200 for each $1,000, principal amount of these Bonds to be presently outstanding. The properties of the Company, on which these Bonds will be secured by a direct first lien, are carried at a book value of over $5,000,000 after depreciation; and the properties of the Thunder Bay Company and the Newaygo Company, on which properties these Bonds will be secured through pledge of first mortgage bonds, will have a combined book value of over $5,700,000.

We offer these Bonds, if, as and when issued to, and received by us, subject to the approval by our counsel of all legal proceedings in connection therewith, and subject to prior sale and change in price. It is expected that delivery in the first instance will be made on or about August 18, 1927, in the form of Interim Certificates exchangeable for definitive Bonds if, as and when such definitive Bonds are issued.

A circular giving full particulars will be mailed upon request

Price 97 and interest, New York funds, to yield 5.75%

The National City Company
Limited
Head Office—St. James & St. Peter Streets—Montreal

10 King Street East, TORONTO — 204 Blackburn Building, OTTAWA — 71 St. Peter Street, QUEBEC

The above statements are derived from sources which we regard as reliable. We do not guarantee but believe them to be correct.

Conservatives Want Chieftain Who Can Make Gains in Quebec

Premier Ferguson, Premier Rhodes, C. H. Cahan, Arthur Meighen and Others Have Varying Chances for Success in Elevation to Office of Leader of Conservative Party.

By JOHN A. STEVENSON.

"Measures not men" is a sort of parrot political cry which has a great vogue, but in the politics of the Anglo-Saxon world personality is still a mighty factor. Time and again it has happened that a party leader has carried infinitely greater weight than the party platform on which he is supposed to stand. Platforms can be laboriously constructed and yet blithely forgotten. Their errors and weaknesses can be attacked and exposed and in the end they may constitute a serious liability which their framers desire to keep in the background. But a strong and vital personality who attains the leadership of a party can never be suppressed in a political campaign. The public wants to hear what he has to say and are willing to accept his oral declarations of faith and policies as the real programme of his party. The New York Times put this aspect of politics in succinct fashion in a recent editorial when it wrote:

"As biography is the most interesting thing in literature, so is a real man the absorbing figure in politics. Once produce him at the head of a party and its platform by comparison crumbles at once into sawdust."

Will Some Day be Premier

If this premise is accepted, it can be argued that the choice of a satisfactory leader is by far the most important duty awaiting the Conservative convention. In the process of selection personal predilections will play a large part but even the most prejudiced delegate must give weight to certain paramount considerations. The man who is to undertake the task of leading the Conservative party in opposition will also have the reasonable certainty of becoming Premier of this Dominion and for the two duties the same qualifications are not necessarily serviceable. But at least a substantial part of the qualities demanded by both offices must be present in his composition. The leader of the Conservatives must be a figure of national eminence or of a type which can strike the national imagination as soon as he appeals to it; he must be mentally and physically vigorous, not afflicted with the weight of years or senile timidity, he must have an attractive personality and a facility for easy contacts with the electorate, he must have an extensive experience of the arts of political management and warfare, he must have a grasp of the practical problems which are the staple of our politics and sound ideas of technical administration and he must, although this is the least important qualifiaction, have a good command of platform eloquence. Other qualities may be helpful but these are the fundamental ones.

Now supporters of a Government in power are always fond of bewailing the barrenness of the Opposition ranks and broadcasting the view that if only the Opposition could get a decent leader they could soon get back to power but unfortunately there is noboby in sight in their ranks who can compare with their own paladins. No such poverty, however, to-day confronts the Conservative party and a variety of candidates, capable of leading it with dignity, credit and success are available.

Arthur Meighen

The Conservative party had as its leader for the last six years a strong and vital personality in Arthur Meighen, but peculiar political circumstances arising out of the impacts of the Great War on Canadian politics have demonstrated at three elections his incapacity to secure a Parliamentary majority in the House of Commons and his resignation thereby became inevitable. It is unthinkable that a statesman who combines uncommon courage and tireless industry with administrative gifts of a high order and at the same time is the most effective Parliamentarian of his generation can remain indefinitely out of public life without manifest loss to the nation, but for the moment his career has been interrupted. He has settled down to legal and financial activities in Toronto, and has intimated that under no circumstances will he be a candidate at the Convention. Mr. Meighen failed because he could not win forgiveness from Quebec, and if the Conservative party decides that it is desirable to secure a leader who can at least make with reasonable prospects of success, a fresh effort to win Quebec, its choice is comparatively limited.

C. H. Cahan, K.C.

C. H. Cahan, K.C., is the only politician of eminence who hails from Quebec and enjoys popularity with the French-Canadian race, but a man of 66 who is virtually unknown in Western Canada must be dismissed as out —with consideration for the post. It is true that Mr. Bourassa has lately been exhorting the Conservative party to select Mr. Cahan, and holding out vague suggestions that he might regain Quebec for Conservatism, but the recommendations of Mr. Bourassa are not likely to arouse much enthusiasm among Conservative delegates from other provinces. If Mr. Cahan were a man of 50, his relations with Mr. Bourassa and other leaders of political thought in Quebec and his intimate knowledge of the French-Canadian race might entitle his claims to very serious consideration, but it would be nothing short of a crime to impose upon a man of his years the arduous duties of Parliamentary leadership, to say nothing of an election campaign.

G. Howard Ferguson

The claims of Howard Ferguson, the Premier of Ontario, next merit consideration, if for no other reason than that he is at present the popular favourite for the post and will, if he elects to be a candidate come to the convention with the largest colume of delegates support. It is true that he has steadily professed a complete disinclination to exchange a position of complete comfort as Premier of Ontario for the much more perilous adventure of leadership of the Opposition at Ottawa. He has an abundance of interesting work to do, he is well satisfied with his environment, and he has come to a time of life, when changes are irksome. Repeatedly in recent weeks he has repudiated the suggestion that he wanted the Conservative leadership, but there was in all his remarks a reservation which left the way open for acceptance if the call came.

On the surface Mr. Ferguson has many handicaps which would impair his prospects of winning back Quebec; he is a native of Ontario and an Orangeman, and he has always been a vigorous and outspoken champion of the faith and rights of Protestantism. But in recent years he has mellowed greatly in his attitude toward religious and educational problems. He has contrived to form a close personal friendship with Premier Taschereau of Quebec, and on his frequent visits to French Canada he has made himself exceedingly agreeable to people of all classes, and has acquired a real fund of popularity. He has also for a long time been nibbling at the idea of sponsoring changes in the educational system of Ontario which would remove some of the worst grievances of the French-Canadian element in the province, and if he successfully undertook this work he would have very strong claims to the gratitude of the French-Canadian people.

Orangemen Yet Unconvinced

Mr. Ferguson, with Regulation 17 abolished, would be able to make a very effective appeal to the French-Canadian voter on the ground that his practical services to their compatriots in Ontario had been greater than those performed by any Liberal politician within memory. But Mr. Ferguson has yet to convert his Orange supporters to the view that the abrogation of the obnoxious Rule 17 is not a major crime and will greatly rebound to the party interests. If Mr. Ferguson is successful in this conversion, he will start with a very considerable credit balance in Quebec. His general qualifications for the leadership are varied and quite definite. He is one of the most skilful politicians that Canada has produced for many years and is not without points of resemblance to Sir John Macdonald. His record shows him to be a staunch disciple of public ownership of public utilities and he has been a consistent protectionist with however, an avowed bias against tariff monopolists who proceed on the principle of exacting "all that the tariff will bear." Otherwise in his general outlook Mr. Ferguson is distinctly ruralist and his sympathetic knowledge of farm problems would offer prospects of strengthening the Conservative position in the very rural constituencies where to-day it is weakest. At heart, farmers, who own their own land are fundamentally conservative and the failure to evolve an agrarian policy which would appeal to this rural conservatism has been a fundamental weakness in conservative strategy.

Could Back Co-operative Marketing

Mr. Ferguson might remedy it as he has a genuine interest in co-operative marketing and, if he were to develop a Federal policy on the same lines as has suggested for Ontario he might easily make great headway in the prairie provinces. His Imperialist faith is very robust and he would be willing to go very far in arrangements for the encouragement of British immigration and the development of Imperial trade, but his zeal in this direction might involve him in difficulties in Quebec. He would favor the construction of the St. Lawrence Waterway, provided a good bargain with the United States was reached, but he would be luke warm about the Hudson Bay Railway. Of all the candidates Mr. Ferguson is the best electioneering expert and the handicap imposed by his lack of experience in Federal politics would be remedied before an election came along.

Sir Henry Drayton

If educational concessions in Ontario are impossible, Sir Henry Drayton has probably even more qualifications than Mr. Ferguson for a fresh adventure in the courtship of Quebec. He has a real liking for the French race; France is his favorite holiday ground and he has a very passable command of the French tongue. Add that he is the possessor of the sort of genial bonhomie which is esteemed a great virtue in Quebec, and his facility for getting on with French-Canadians is intelligible. If he toured Quebec, he would soon make a multitude of friends some of whom at least would translate their affection into votes at an election. He has also the advantage of having taken no part in the conscription controversy and being free from the odium which attaches to so many Conservative politicians. Generally speaking, his views are almost identical with those of Premier Ferguson. He is perhaps rather a stronger devotee of public ownership and he would favor a wholesale reorganization of the economic structure of the Empire. But he has less acquaintance with rural problems than Mr. Ferguson and might have more difficulty in winning seats in the West.

E. N. Rhodes

Mr. Rhodes, the present Premier of Nova Scotia, is another aspirant whose friends declare that he has no real enemies in Quebec and would have a promising chance of winning the province back to Conservatism. He too, thanks to his tenure of the office of Speakership during the conscription controversy, is free from the pulluting stain, and he always enjoyed a substantial measure of popularity among the French-Canadian members of the House of Commons. At present he is understood to have the backing of Lord Atholstan for the leadership and Lord Atholstan will in the end have no small say in the allocation of the votes of the Quebec delegation. So, if Mr. Cahan is eliminated, Mr. Rhodes would start with a very substantial following. He has had a long comprehensive experience of politics and the Speakership has given him a complete familiarity with Parliamentary procedure which would be a valuable asset. He has a handsome presence and fine bearing on the platform and his oratorical talents are far from contemptible. Two years ago he won a spectacular victory in Nova Scotia and brought his party back to power after more than 40 years in the wilderness. The drastic processes which he has been applying to the regeneration of government in his province have undoubtedly earned him grave unpopularity with certain elements, but disinterested observers declare that he is giving Nova Scotia an honest and efficient administration.

However, there seems some doubt, as to whether he could rely upon the wholehearted support of the Nova Scotia delegation, and failing its availability his chance of the leadership would be slim. Mr. Rhodes has generally been regarded as a Conservative of moderate views. He, as befits a member of an industrial family, has always been a convinced protectionist, but he is well aware that the protectionist creed is at the moment not exactly popular in the Maritime provinces and he would certainly not push it to extremes. On the question of the St. Lawrence waterway he would have no very fixed opinions, but he would be apt to be guided by the sentiments of the majority of the members who gave him allegiance.

Could Be Imperialist

In the matter of Imperial relations he would be a strong Imperialist and would be prepared to go to very great lengths in promoting inter-Imperial trade; his zeal for such a course would not be diminished by the fact that it would offer a prospect of additional business to the ports of Halifax and St. John. It is not likely that Mr. Rhodes would make a resolute aggresive leader who would create public opinion and educate it to accept new policies, but he would be a very competent interpreter of the currents of opinion in his party and in the country and would evince considerable talents for the sort of manipulations that are inseparable from party leadership.

The sum of the matter is that Mr. Ferguson, Sir Henry Drayton and Mr. Rhodes would all have in varied degrees some chance of bringing to the Conservative party some parliamentary strength from the most funamentally Conservative province. Sir Henry Drayton, if he succeeded in making any breach at all, would probably make a bigger breach than Premier Ferguson, but in the process of doing so he would probably leave his party with as little parliamentary support West of the Great Lakes as it to-day possesses. Mr. Ferguson might make a substantial but by no means spectacular inroad into Quebec without forfeiting all chances of success for Conservative candidates on the prairies.

This is the second of a series of articles by Mr. Stevenson on the Conservative Convention. The next article will discuss the chances of Hon. R. B. Bennet, Hon. Hugh Guthrie and Hon. C. A. Magrath.

Notes in Circulation and Gold Holdings

June 30, 1927

Dominion Notes	
Provincial	$ 27,623.53
Fractional	1,329,719.94
$1.00	18,439,377.50
$2.00	13,549,260.50
$4.00	32,991.00
$5.00	466,792.50
$50.00	650.00
$500.00	1,786,500.00
$1,000.00	4,081,000.00
Legal tender notes for banks—	
$1,000.00	222,000.00
$5,000.00	8,920,000.00
$50,000.00	128,150,000.00
	$177,005,914.97
Provincial Notes	
$1.00	$10,528.50
$2.00	6,054.00
$5.00	4,911.03
$10.00	2,140.00
$20.00	840.00
$50.00	650.00
$500.00	2,500.00
	$27,623.53
Gold Holdings	
Gold held 30th June, 1927, by the Minister of Finance	$108,820,050.42
Gold held against Saving Banks Deposits— (10% on $31,198,688.87 Under The Savings Bank Act)	3,119,868.88
Gold held against notes in circulation	105,700,181.54
Dominion notes outstanding against deposits of approved securities, under Finance Act, 1923	15,950,000.00
Dominion notes outstanding under authority of Dom. Notes Act of 1915	26,000,000.00

OTTAWA HAD ONE 13-YEAR MINE BOOM FORTY YEARS AGO

Hills Surrounding Capital Hummed With Activity in Those Days

Just about 50 years ago, in 1878 to be precise, Ottawa district witnessed a mining boom, which if it occurred to-day, would be a serious rival to any of those at present taking place in the north, says R. C. Rowe in Ottawa Journal. It lasted about 13 years, or until 1891, when it rapidly subsided, and finally died, about 1895. This was the era of phosphate mining in the Buckingham district, and there are many older residents, along the valley of the Lievre River, who look back with longing on those old boom days, when the hills were humming with activity, and a man with a phosphate prospect was better off than one with a gold prospect to-day.

During those years, probably 300,000 tons of phosphate rock were shipped from this area, and a great many men were employed. A large number of companies were formed; most of them with British capital, and there was the inevitable wild catting. Money was spent like water, and we can gather an impression of prodigal waste, and woeful mismanagement.

Languished and Died

The Lievre River phosphate or, to give it its correct name, apatite, runs higher in phosphoric acid than any phosphate in the world, and there are, unquestionably, enormous quantities of it lying in the hills north of Buckingham; but when it will be utilized is a question that is open to much debate.

The industry languished, and died, through economic causes, and not because the mines were depleted. The discovery and exploitation, of huge beds of lower grade phosphate in Florida, and Tennesee, which could be mined cheaper, swept the Canadian product off the market, and the phosphate industry in this country collapsed just as flatly, and rapidly, as a punctured balloon.

There are some who think that Canadian phosphate, taking into consideration its greater purity, could be mined profitably to-day under scientific management, and with up-to-date appliances, and it must be admitted that there are some grounds for such an opinion; but at the present time the industry is so completely dead that it is hard to resuscitate it, and so revive any appreciable amount of interest in it.

Undoubtedly, however, with the passage of time, the immutable laws of economics will bring about conditions that will turn the eyes of the world back to the phosphate of the Ottawa district. Meanwhile, locked in Nature's storehouse, it does not deteriorate, and it will be ready when mankind needs it again.

Beds of Sandstone

Lying to the east and west of Ottawa, are large beds of sandstone, which have their place in our scheme of things. Those to the east are at East Templeton; those to the west, at Nepean.

Sandstone is exactly what its name implies—it is made of sand. And sand, as such, has a multitude of uses. The sandstone beds were laid down when the earth was very young; during a period of short, but fiercely hot days. The terrific solar heat resulted in a large amount of evaporation, and torrential rains, and high humidity, were a natural consequence. It was a period of terrific climatic conditions, such as we have little or no comprehension of.

Under such conditions the decomposition, and erosion of rocks was much more rapid than to-day, and the sandstone beds are the product of the erosion of silicious rocks. Rushing torrents carried the grains of rocks down into great lakes, and seas, that have long since vanished. Go to the mouth of a creek entering a lake, and you will see the same action on a smaller scale, that laid down the sandstone beds of Nepean and East Templeton.

Elements of Time

Slowly, as the ages passed, the ponderous weight of superseding layers of sand, slowly squeezed, and solidified the lower layers, until the innumerable individual grains were welded into a rock mass, which is the sandstone of to-day.

More ages passed with convulsions, and upheavals. Lakes and seas receded, and vanished, and, in some cases, hills took their places. The beds of standstone were in places thrust up and distorted; in others they remained as laid down.

The elements of time involved in these mighty processes of nature are almost infinite. We simply cannot grasp them, and can only flutter feebly on the fringes of comprehension.

The point is, however, that the grains of sand making up some sandstones, are pure silica, and silica sand has a large number of uses; one of the chief being in the manufacture of glass. Thus, we find man undoing the processes of nature, and separating sandstone into its constituent individual grains again by grinding. This is what is going on at East Templeton, where a plant is engaged in grinding the sandstone for use in glass making, and steel foundries. Thus, in a few moments, man undoes the work of countless ages.

Another lowly, but highly useful, mineral that finds a multitude of uses, occurs just across the river from Ottawa. This is limestone. Limestone probably has more uses than any other mineral in this world; but, as it is a fairly well distributed rock, it cannot stand high transportation costs. There is, however, a tendency for certain industries to become centred around limestone deposits. Thus, the cement plant at Hull is the direct product of the limestone beds of that city, and deposits of this mineral are always an asset to any district.

Several Other Minerals

There are several other minerals in this area that are worthy of note, among which may be listed molybdenite. Molybdenite is very similar to graphite in appearance; but it is vastly different in character. Graphite is carbon, pure and simple; while molybdenite is a form of the metal molybdenum—a sulphite, to be exact. Molybdenum is an alloy of steel, and its value in this direction is well known. During the war molybdenite mines of Quyon became famous but the industry did not survive the post war depression. Since then the plant at Quyon has been operated intermittently.

There is no doubt, however, that molybdenite can be operated successfully to-day. It has become an essential mineral, and there is a ready market assured for it. Yet it is hard to interest capital in its development. This is undoubtedly due, in some measure, to the fact that it, in common with most of the minor minerals, is not spectacular. Yet the average investor would get a better run for his money, and his chances of success would be better, with it than with the average gold proposition of the north.

Undoubtedly, however, the molybdenite resources of this district will, one day, be fully exploited.

Galena, the sulphide of lead, occurs here and there through the Ottawa region, while iron is found a little way up the Gatineau.

Further afield, around Calumet, important deposits of magnesite are found. This also was a thriving industry during the war, when the Austrian magnesite was cut off, but of recent years it has passed through a most strenuous period. Perseverance has had its reward, however, and there is every hope that the magnesite industry is now on its feet, and is probably established.

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TORONTO, AUGUST 12, 1927

A RICH ASSET

IT WOULD be a patriotic movement if well-meaning but seriously uninformed public speakers and writers would stop talking about the rock-bound waste that divides Eastern and Western Canada.

This "rock-bound waste," this "geographical misfortune" that is so often bewailed, can be more accurately described as the great pre-Cambrian shield of Canada. All well informed geologists, mining men and financial men realize that the pre-Cambrian shield is one of the greatest assets that Canada possesses and one of our strongest guarantees of prosperity to come.

The kind of misdescription of the area between older Ontario and Manitoba that is all too prevalent and that is decidedly to be condemned is exemplified by the following quotation from an article in the Canadian Historical Review:

"While to the north and north-west of Lake Superior there lies only a continuation of that endless dreary waste which forms the dead heart of the eastern half of Canada, to the south of Lake Michigan there is a land of far greater possibilities."

The Canadian Historical Review issues from the presses of the University of Toronto. Where it is read it will carry the weight of university authority, even of government authority, for the university is a provincial government institution. We are certain that there are members of Toronto University's governing board and of the provincial cabinet who recognize in the pre-Cambrian shield something more than "an endless, dreary waste."

Practically every inch of that "dead heart of Canada" is laden with precious minerals—with gold, silver, copper, even with iron, nickel, lead and zinc. Practically every acre of that territory will some day be pouring forth its rich flow of wealth for Canada. Gradually the developed area is spreading westward from Cobalt and Timmins and eastward from Central Manitoba. Every month a new operation is commenced somewhere in this "dreary waste." Every few months a new gold rush starts to some Eldorado as a preliminary to more serious prospecting work.

Let us give to rock-bound northwestern Ontario its due mead of praise and realize, as the geologist and the mining man realize, that Nature has given us in that shield untold riches to gather.

SKIPPERS ON THE BRIDGE

AGAIN it might be said, the Bard of Avon to the contrary notwithstanding, that the happy choice of a name is an asset.

The Prime Minister of Great Britain, the Secretary of State of the United States and the Vice President of the United States on August 7th chose the international boundary at the head of the Niagara River as a fitting spot on which to make pronouncements of considerable importance in international politics.

The occasion was the formal dedication of the Peace Bridge. It was called the Peace Bridge because a number of years ago advocates of its building, believed that, as a Peace Bridge, the governments of these two countries might be induced to provide the necessary funds. When at last the structure was privately financed, the name applied to the dream adhered to the reality.

Then the dedication of the structure as a symbol of the more-than-a-century of peace was fixed at a moment when the two peoples who have maintained this lengthy peace along an unguarded frontier had failed to agree on a programme of restriction in the building of navies. The statesmen, not taking their naval experts so far from tidewater, found the occasion propitious for declaring that, come what may, continued peace and goodwill is the desire of these two people. They are right.

These statements, or some of lesser magnitude, might have assisted in the formal opening of the new commercial structure at the head of the Niagara River if that structure had not been named the Peace Bridge. But the great lesson of the unguarded frontier might not have been impressed on their minds, the occasion for the pronouncement of determination to find a basis of agreement would have been less appropriate, or worst of all the Geneva failure might not have been considered a "mere incident," which can, at the worst, only temporarily retard the march toward complete understanding and agreement on questions of naval strength.

FEWER BUT BETTER

NOT long ago one of the Toronto daily newspapers ran a large advertisement exploiting its classified advertising columns. It told about an advertisement for a teacher, that had been inserted by a village school somewhere in Ontario. The job paid something like $900 a year. Several hundred applications for the position were received.

The advertisement may have shown the "pulling power" of the advertising columns of the newspaper in question, but it showed also the result of turning out teachers by the hundred, teachers themselves with only a smattering of education, but supposedly fit to train the minds of the youth of Ontario. The results shown are a very apparent surplus of teachers and a very lamentable low level in wages.

Ontario turns out about 2,000 teachers a year. The current attendance at training schools in the province is over 2,600. Only about 60 per cent. of the graduates each year are able to find posts. For every "teacher wanted" advertisement there are scores of applicants and when all the posts are filled a detailed survey made by the provincial government shows that between 30 and 40 per cent. are still without positions.

It is, of course, the height of folly to spend public funds turning out more teachers than can be absorbed. The only place where it saves any money is in keeping the salary level down to such a ridiculously low figure that rural school trustees can buy a teacher's brain for a few hundred dollars a year. There are counties in Ontario where the highest yearly salary received by any teacher, male or female, is $1,150 a year. The average salary of male teachers in Ontario, including all the city and town schools, is $1,645 a year and of female teachers, $1,142 a year and there is evidence that under the competition for jobs the average salary is declining.

Ontario is already taking steps to raise the standards of training for teachers. Two good purposes will be served by this; one will be to improve the teaching in the schools and another will be to reduce the supply of teachers clamoring for every meagre job. This, in turn, will lead to a higher level of salaries, which also in turn will make possible continued study and travel by the teachers. Instead of the present vicious circle, we then may have a more laudable sequence of improvements.

The problem cannot be handled too firmly by Ontario's educational authorities or by the authorities of other provinces where similar problems exist. Our much lauded educational system is weak enough and impractical enough without further enhancing its degeneration by a surplus of half-educated, half-starved teachers.

SAVING WHITE PINE

THE attempt of the lumber mills to save the white pine industry of Canada from dissolution is described by George Wilson in the annual number of the Canadian Lumberman, which has just been published. Mr. Wilson was formerly assistant general manager of the Union Bank of Canada, retiring after the merger of that bank with the Royal Bank of Canada, and later becoming manager of the White Pine Bureau of the Canadian Lumberman's Association, when that bureau was formed a year ago.

White pine was once an enormous source of revenue to Ontario and Quebec, but due to seriously competitive conditions in the lumber trade of the United States and Canada, the white pine producers have been losing money or making but small profits. The bureau came into being in an attempt to increase consumption through advertising and educational work, to regulate production in accordance with demand, and to study manufacturing costs and merchandising methods in order to stop the steady narrowing of the margin that had once existed between production costs and sales prices.

Mr. Wilson thinks that the work of the bureau will have to go further. The mills should conduct self-examination to see if they are efficiently operated and if they are strategically located. Merchandising methods should be improved to the evils of price cutting.

Formation of this bureau is a step typical of business methods to-day. Business men share information with each other through their trade associations and business papers; they aim at self-regulation and the maintenance of proper standards of practice. They combine for mutual self help, but not in opposition to the interests of the consumer who is the ultimate sufferer when there is not stability.

Fortunately many industries are organizing that are in a prosperous condition. They are not waiting, as did the white pine mills, until disintegration threatens.

Business associations and business papers that are complimentary factors in the service of trade and industry are two of the most potent factors in modern business.

PROGRESSIVE STEP

NEW BRUNSWICK is going about the Maritime problem in a practical way in arranging to settle British immigrants within the province.

New Brunswick has excellent agricultural prospects, as the recent survey of Dr. G. C. Creelman indicated.

It has also the attraction of being 2,500 miles nearer home, to these British immigrants, than is Western Canada.

BREVITY AND WIT

THE best speeches are those with a time limit.

The obvious reference is a comparison of Lincoln's and Everett's speeches on that great battlefield in Southern Pennsylvania.

When the International Peace Bridge was opened last Sunday on the Niagara River, half a dozen persons of world prominence spoke. Each might have spoken for an hour had he been the only speaker scheduled. But each, instead, spoke for about five minutes. The effect was amazing. Each speaker chose but a single thought to convey to his visible and invisible audience. He gave careful attention to choice of language to express that thought succinctly, clearly, and in polished phrase.

There is a lead in this for business organizations which hold conferences and conventions. Nothing is more annoying or stultifying than a long-winded talk by someone with little to say and a long time to say it in. But when a time limit—better three minutes than ten—is fixed, then the ideas leap out, clear-cut, unmistakable.

Business conferences are valuable chiefly for the ideas they produce, and an idea can be the better grasped when it is simple and is briefly expressed.

PREVENTING FIRES

WHETHER firemen cannot be more profitably employed in preventing rather than in extinguishing fires is a question which many cities are beginning to ask themselves. Experience has proven that as much can be accomplished by removing the causes of fire as by checking the fire after it starts.

"The efficient fire chief of to-day," a bulletin of the Insurance Department of our neighbor's National Chamber of Commerce says, "supervises many operations in addition to the necessary function of fire extinguishment. One of the most important activities under the supervision of the modern fire department executive is the operation of a well organized inspection system as a part of his fire prevention activities. Frequently the fire prevention committee of the local chamber of commerce can be of considerable assistance in establishing such service where it does not now exist or in improving the one already in operation."

After all, it appears that the shrieking siren is not the only evidence of a fireman's efficiency. Fire prevention is the primary key note of the effort to reduce the fire toll. Fire fighting is essential, but it is the pound of cure.

EDITORIAL NOTES

IF Coolidge stays out, Hoover may win in spite of the backing of Henry Ford.

• • •

THERE must be a big attic at St. James' Palace to store all the souvenirs given to Edward P.

• • •

RADIO announcer at the Peace Bridge celebrations spoke of "Premier W. L. Mackenzie (pause) King of Canada." But he corrected himself.

• • •

STONEHENGE is to be preserved. This will give us a few thousand more years to argue about its origin.

• • •

PREMIER G. Howard Ferguson has an eye to the main chance and in the ceremonies opening the Buffalo-Fort Erie Bridge he advertised Ontario to millions of radio listeners all over the continent.

• • •

A LONDON MARKET CABLE says "speculative interest was apparent in Dunlop Rubber, Mond Nickel and Vickers." All these names are familiar to Canada. Stocks with Canadian connections are looking up these days.

• • •

THE CANADIAN PRESS, speaking of the Baldwin luncheon in Toronto, said "Probably no such crowd had been seen in Toronto before at a club luncheon." They forgot the time George McManus, creator of "Jiggs" spoke in Toronto.

• • •

THE RUMOURED appointment of Warden Bickersteth of Hart House, Toronto, to the post of super-secretary to the prime minister of Canada, is again an evidence that Oxford graduates are more in demand as satellites to W. L. M. King than men with business training. If Canada's embassy to Washington fails—which it is sincerely trusted will not be the case—it will be because of lack of a practical touch to its work. Mr. King's greatest weakness has been his unwillingness to bolster himself with assistants, who are strong where he is weak—in the ordinary every-day affairs of business.

Great Canadian Life Insurance Company Has Fine Record in Britain

By HERBERT N. CASSON.
Famous British Writer. Written from London for The Financial Post.

Recently, the Sun Life of Canada formally laid the foundation stone of its new building in Trafalgar Square, London.

It is next door to the new Canada Building, and across the street are the Canadian National Railways and the Cunard Building.

An attempt is now being made to change the name of the street from Cockspur Street to Canada Street, because of this grouping of Canadian buildings.

In England 34 Years

The Sun Life of Canada was started in England in 1893, 22 years after it had written its first policy in Canada.

Its first president was Robertson Macaulay, a Scotchman, and its present president is his son—T. B. Macaulay, who has been connected with the company for 50 years.

J. F. Junkin, the London manager, was born in Toronto and educated at Trinity College. He wrote his first policy for the Sun Life in 1883, and came to England in 1908.

Popular in London

He is a genial progressive man, very popular in London. He is one of the few insurance men in London who believe in salesmanship and advertising.

"Look at that," he said to me when I saw him in his office on the Embankment. He pointed to a pile of letters on his desk. "There are 93 answers to advertisements in one day. Our whole business in Great Britain has been built up by good advertising and good salesmanship."

Why Sun Life Plunges Ahead

The fact is that the Sun Life of Canada has plunged ahead of all the British life assurance companies, because of its belief in publicity and its aggressive sales policy.

It had to compete with old established companies, some of which are more than a century old; but it has left them all far in the rear.

It is now the greatest life assurance company in the British Empire and in the whole world outside of the United States.

A Titan of a Company

Even in the United States there are only five companies, or possibly six, that are larger than the Sun Life.

Its total revenue is now $83,000,000 a year. It paid $40,000,000 to policy holders in 1926. Its funds in hand amount to $350,000,000; and the amount of its policies now in force has risen to $1,300,000,000. A Titan of a company!

It is now operating in 42 countries, under 22 flags. The sun never sets on the Sun Life of Canada.

Its business has doubled every five and a half years. In Great Britain, its operations have increased by leaps and bounds.

Well Regarded in Britain

It has a high reputation in Britain, too, as a well managed and economical company. The general opinion is that it puts honor above profit and is punctiliously faithful to its obligations.

Recently, an attempt was made by stock speculators to capture a certain company in which the Sun Life held a large block of shares..

It was offered a high price for its shares. It refused to sell. It might have made $750,000 profit by selling, but it declined the offer.

"We do not wish to make money out of our friends in that way," said Mr. Macaulay, the head of the Sun Life.

Stands By Its Investments

Word has been passed around among British companies that the "Sun Life is the sort of company that is wanted as a shareholder. It stands by you as long as you are doing the right thing."

The Sun Life differs from all American assurance companies, and from most English companies, in that it invests its money in stocks, as well as in bonds and mortgages. It prefers stocks to mortgages, as the value of its securities is apt to increase, giving it an extra source of profit.

It has devoted special study to its investment problem. It has worked out a number of rules for its own guidance. It never buys, for instance, more than 10 per cent. of the common stock of any company.

Dividends Average 6.69%

It is plain that it has been both wise and fortunate in its investments as its dividends from securities last year averaged 6.69 per cent.

The Canadian law, with regard to the investments of insurance companies, is more wisely framed than the American law. It allows the purchase of stocks, as well as of bonds and mortgages; and the Sun Life has taken full advantage of this law.

After the war, says Mr. Macaulay, it put its money into long-term bonds instead of mortgages. "We have made enormous profits out of these bonds," says Mr. Macaulay.

Some Big Sun Life Holdings

At present, its holdings in several large companies are as follows:

General Motors, $3,500,000.

Boston Edison Co., $3,000,000.

Bell Telephone of Canada, 65,752 shares. It is the largest shareholder in this company.

Commonwealth Edison Company of Chicago, 51,044 shares.

Consolidated Gas Company of New York, 30,000 shares.

Mackay Companies, 27,000 shares.

It is the largest stockholder in the Montreal Light, Heat and Power Company. And it has made, all told, fully $8,000,000 profit out of its holdings. It has also made $2,000,000 of profit out of its shares in the General Electric Co. Its total investments in American companies has now reached the amount of $100,000,000.

Others Can Win in Britain

Such is the record of the Canadian assurance company that is now forging to the front in the British Isles.

"What about other Canadian companies coming to England?" I asked Mr. Junkin.

"Well," he replied, "it is a waiting game. It is hard at first—but it can be done."

Ask Manufacturers to Show at Fair

Canadian National Exhibition, Toronto, has issued a beautifully illustrated brochure, to attract the attention of manufacturers to the advantage of having displays at this great annual fall fair.

The booklet calls the "Ex" a yearly convention of world manufacturers and claims that it has an influence over the entire Canadian market.

POST-Scripts

A LITTLE boost for Newfoundland was given by Sir Frederick W. Lewis, chairman of the Furness-Withy Lines, when he said, at the company's annual meeting in London:

"In these days of easy traveling, the attractions of Newfoundland are often overlooked. In the past, one of the reasons, no doubt, has been the absence of suitable hotel facilities, but this disability has now been remedied by the erection of a first-class hotel at St. John's. The two new steamers Newfoundland and Nova Scotia which we recently built for the trade between Liverpool, Newfoundland, Nova Scotia, and Boston each have accommodation for 100 first-class and 80 third-class passengers, and in little over a month's trip one can combine a sea voyage with a fortnight's sport in Newfoundland under most attractive conditions.

"As Others See Us

Price of Loose Democracy

St. Catharines Standard.—"Ottawa spends over two million dollars on law and talk," reads a heading in The Financial Post this week, and then adds that $27,000 of the amount is the deficit on the parliamentary restaurant. All these things are the price of a loose democracy.

The Newfoundland Dog

Renfrew Mercury.—The Financial Post in its issue of July 22nd carried much matter relative to the Island of Newfoundland, an island which steadfastly refuses to become a Canadian province. All of the matter was very interesting, and much of it will come as a revelation to a large number of readers of that journal. The island is remarkably rich in natural resources, while its development goes on apace; besides its scenery is in a class by itself. The field seems to have been covered pretty thoroughly by The Financial Post, inasmuch as the Newfoundland dog, one of the best of canines, was not overlooked.

It is pleasing to know that efforts are to be made to save the dog from extinction. It has decreased in numbers, not only in Canada, but on the island itself, an island which for years it did much to advertise by reason of its singular intelligence, its exceptional strength and its always carrying the island's name. Once the dog was fairly common in every Ontario community; to-day it is seldom seen. It was valued because of its fondness for children, its merits as a watchdog and its readiness to save persons from drowning.

It is said to be a cross between the Pyrenees sheep dog brought to Newfoundland by Biscay fishermen between 1502 and 1662 and curly-coated retrievers brought to the island by the earliest English settlers.

Two of these dogs are now owned in Renfrew, after a long interval in which nearly every dog but the Newfoundland was kept. Time was when the big black fellows, with touches of white on breast and tip of tail, were fairly common in the Ottawa Valley. They are both useful and ornamental, and Newfoundland people could no doubt find a ready sale for thousands of them every year.

Our Immigration Problems

Huntsville Forester: The Financial Post eulogizes the Canadian Minister of Trade and Commerce and the Minister of Customs as efficient men, who know how to tackle and overcome their big problems, and give assurance of some real progress in the working of their departments. Less complimentary things are said of Hon. Robert Forke, the new Minister of Immigration. The Post must admit, however, that the work of Mr. Forke presents difficulties of much greater magnitude than those confronted by his two colleagues named. To attempt to promote immigration, however sincere the effort, and logical the method, is to arouse east and west, north and south, a howl from some class or other, who fear their interests will suffer. Mr. Forke has been compelled to limit his efforts almost exclusively to agriculturists, and it must be said to his credit, that real progress along this line has been made.

The co-operation of the Dominion with the Imperial Government, in giving effect to the Empire Settlement Act, is a practical forward step in the settlement of our agricultural lands. If nothing more can be accomplished than the advancement of settlement under this Act, the year's work in the immigration department will not have been in vain. Mr. Forke must also be given credit for emphasizing the importance of encouraging British settlers to come to Canada. Very definite progress along this line is being made.

The Minister of Immigration

Regina Leader: The Financial Post of Toronto offers some criticism of Hon. Robert Forke, the Minister of Immigration, this in the course of a eulogy of other members of the Government. The King Cabinet, says the Toronto paper, has done excellent work for Canada in the past year in two directions. The power for good that can be wielded by a forceful and able cabinet minister has, it says, been doubly demonstrated in the forward accomplishments of Hon. James Malcolm, Minister of Trade and Commerce, and Hon. W. D. Euler, Minister of Customs and Inland Revenue, just as it had been earlier demonstrated in the capable administration of Hon. James A. Robb, Minister of Finance.

The post of Minister of Immigration at the present time is about the most exacting of any of the Cabinet jobs. The occupant of this post is invariably the target for abuse. Where Mr. Forke should get encouragement and constructive suggestion he is largely subjected to ridicule and attack. It is too early to judge him on his record. But he seems to be doing fairly well. The latest immigration figures from Ottawa show that immigration so far for the present year is well up and indicate that it is steadily increasing. It may be that Hon. Mr. Forke's recent visit to Great Britain and to the Scandinavian countries will bring good results.

There is just the possibility that considerable of the criticism which has been heaped upon Hon. Robert Forke is born of a little chagrin at his casting in his lot with the Liberal Government. Some of those who praised him as Progressive leader strangely affect to find little worth in him now.

Other People's Views

No Hand-outs to Canada

Evening Telegram, Toronto.—Canada does not expect, and does not want, any president of the United States to confer favors on this country. A president of the United States is required to serve the interests of the United States twenty-four hours a day. A premier of Canada should be required to serve the interests of Canada twenty-four hours a day.

Canada will be better off when the premiership of this country is occupied by a Canadian as entirely devoted to Canadian interests as Calvin Coolidge has proved himself to be an American entirely devoted to American interests in the Coolidge occupation of the presidency of the United States.

Canada wishes health, long life and prosperity to Calvin Coolidge and all those nearest and dearest to him.

Show Exchange Facilities

MONTREAL.—The rise of numerous shady stock promotion houses in Montreal has induced members of the Montreal Curb market to call public attention to the fact that all of the good security issues can be traded in through recognized members of the exchanges. F. Edward Crane, member of the Montreal Curb Market, in a letter recently sent out, points out that practically all of the better class mining stocks, for instance, are listed on the curb market.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Traymore

I would like your opinion on Traymore Limited as an investment?

The new issue of preferred shares in Traymore, Limited, may be regarded as a speculative investment of some merit. The public is showing an increasing tendency to patronize the type of cafeteria operated by this company. Sales of the organization are considerably higher this year than a year ago, although the company has not yet taken advantage of its new financing to open new restaurants.

There is some speculative element in this stock, just as in the stock of any similar business organization, but compensation is given you for this in the bonus of common stock which offers an attraction to share in future profits should the company continue its present success.

Another Yukon Investor

What is your opinion of the following, is it a properly balanced set of investments?

9 shares Bank of Montreal, taken over from old Merchants Bank; 10 shares Second United Cities Realty Corporation, cost $100 each; 10 shares Tobacco Products "A", cost $99.50 each; 10 shares Eastman Kodak, cost $108 each; 30 shares Howe Sound Mining Co., cost $34 each; 15 shares International Nickel, cost $35.50 each.

In addition I hold Canadian bonds as follows: $500 due 1934; $1,500 due 1937; £300 G.T.P. bonds due 1962, bought at $65.

What do you suggest for purchase now? Should I buy more International Nickel, Hollinger or C.P.R., or some good preferred. Naturally I would like safety first and a reasonable return. Am too far away from any of the centres to do any speculating.

Most of your holdings are in American stocks and we do not attempt to give more than a very cursory service in regard to American securities. However, we notice that all the securities you have purchased have shown you a very considerable advance and on examination we see no reason why you should part with anything on your list.

International Nickel shows you the largest advance, but our information concerning the face values shown in the new Frood Mine, as well as in the older Creighton Mine, is such that we feel a further advance in this security is justified during the next two years.

You would not be throwing your investment list out of balance to purchase another ten shares of International Nickel.

We feel certain that Hollinger would prove a valuable speculative investment. The security is now selling at what appears to be a low figure, certainly well under the high point for the year, although there seems to be no news of any kind to justify this decline.

Canadian Pacific Railways is not a cheap stock, but it gives a certain yield that is hardly likely to vary, in good times or bad. The expansion of the company makes it possible that shareholders will benefit from the additional stock issues in the future and the stock may easily work up close to the two hundred mark within the next eighteen months or two years.

Sound public utility investments that can be bought with security by any investor are:

Montreal Light, Heat & Power.
Shawinigan Water & Power.
Consumers' Gas Company of Toronto.

These stocks are of the highest investment grade.

Securities for Profit

A customer of ours, not absolutely dependent on income from investments and who can afford to wait for dividends is anxious to invest about $4,000 in three or more stocks that are likely to pay dividends and also appreciate in value during the next couple of years. We would appreciate an expression of your opinion in this matter.

You state that your client is anxious to invest in securities that are likely to show appreciation in value during the next couple of years. We would suggest the following stocks which are either not on a dividend basis at the present time, or are returning very small yield, and which are, in our opinion, possessed of distinct possibilities for appreciation in value in the next few years.

Shawinigan Water & Power.
Howard Smith Paper Mills common stock.
International Nickel.
Canadian Oil Companies common.
Pacific Burt common.
Brazilian preferred or common.
Cosmos Imperial Mills common.
Laura Secord Candy Shops.

Sawyer-Massey

Do you consider there are any profit possibilities in purchase of Sawyer-Massey common or preferred? Are these stocks available and at what prices?

There is very little trading in Sawyer-Massey common and preferred shares, and we cannot tell you what would be the quotation of the market at the present time if an attempt were made to buy or sell.

The possibilties regarding profits are entirely speculative. The old Sawyer-Massey Company has only one asset, that is, 16,500 shares of common stock of the new Sawyer-Massey Company which it will receive in exchange for all of its assets.

The basis upon which this stock will be divided is not yet determined. It is quite likely, however, that the distribution will be on some such basis as one share of common for each old share of preferred and one share of new common for each old 10 shares of common. However, this would probably require the approval of the court, as the preferred shareholders might feel that they had a right to all the stock received in view of their prior claim upon the company's assets. Since no decision has been made we cannot give you any idea as to what value there is in either the preferred or common stock.

National Debenture

Would you kindly favor me with an opinion as to the safety of an investment in the 5½% gold bonds or the 6% debentures of the National Debenture Corp., now being offered by G. A. Stimson and Co.

Is the security the same behind both, and if so why is the higher rate paid on one than on the other

The first balance sheet of the National Debenture Corp., recently issued does not give a list of its specific holdings, nor their market value. They take the face value in the majority of cases and in others cost value so that it is impossible to tell from the balance sheet the exact financial position of the company at the present time.

This corporation has issued a diversity of securities ranging from the 5½ per cent. collateral trust short term to the 6 per cent. income charge debentures. Of the lot, we favor the 5½ per cent. collateral trust short term bond. The security back of this particular security is sufficient.

You ask if the security is the same behind both, and if so why is the higher rate paid on one and not the other. If you will read the literature put out by this organization, you will see that the 5½ per cent. gold bonds are secured by the placing of negotiable securities with the Trust and Guarantee Co. to the extent of 105 per cent. of all bonds outstanding. On the other hand, the debentures are not so protected, consequently the corporation has to pay a higher price on the money it borrows through the issuance of this debenture.

Dominion Industrial Alcohol

Can you give me any information, privately, regarding Dominion Industrial Alcohol? Do you consider it a purchase at the present market price of $10, for a hold for the future?

Any information that you can give me regarding it will be appreciated

I might say I am a subscriber to your paper, and enjoy very much the reading matter contained therein, and also the information from time to time given on certain stocks.

We do not consider that stock in Dominion Industrial Alcohol Company presents any considerable attractions. We would advise against its purchase.

Insuring Silver Foxes

Will you please give me the names and addresses of any corporation or person who will carry live stock insurance in British Columbia on silver foxes and martens?

I have not been able to place it yet in Vancouver.

We find that there are only three firms licensed to write live stock insurance in Canada. Of these three, two have head offices in Toronto and one in Montreal.

We have communicated with both the firms whose offices are in Toronto, and neither of them is prepared to write insurance on silver foxes.

We would suggest, therefore, that you communicate with the only other company writing this class of insurance, which is the Yorkshire Insurance Company, Montreal. The chief agent of this company in Canada is P. L. Monkman.

Commonwealth Life

Would you be kind enough to give me through The Post your opinion of the Commonwealth Life and Accident Insurance Company stock as an investment? Also give market price of same.

We believe that this stock presents very good possibilities for a long hold. The present price is $21 bid and $24 offered. There is not very much of this stock on the market, as it has been exceedingly well sold and the shareholders who have bought this stock realize that they must wait for several years in order to realize on their investment.

As you probably know, the company covers the Niagara Peninsula and Western Ontario, and last year sold over $3,000,000 worth of new business, which is a very good record for a young company. If you are willing to wait for some time before receiving any dividends, this stock seems to offer very good possibilities. The stock is 10% paid up and latterly was sold at a $15 premium.

Detroit Bridge

Will you kindly let me have your opinion of Detroit Bridge First Mortgage 6½% bonds also the 7% sinking fund debentures as an investment over a term of years.

We consider the first mortgage 6½ per cent bonds of the Detroit International Bridge Company a reasonably sound investment suitable for a long hold. The company is backed by some of the strongest financial houses in Canada and the United States and in view of the tremendous flow of traffic between the Middle Western States and Canada through Detroit and Windsor, there is every reason to believe that the interest and sinking fund requirements on these bonds will be met promptly.

The 7 per cent. sinking fund debentures of the Detroit Bridge are an attractive buy. The debentures are callable at 120 between 1932 and 1927 and increasing each year thereafter at the rate of 1 per cent. until 125 is reached in 1942, at which price they are redeemable until 1952. On this basis, if the debentures are called in 1932 you will get a yield of 10.16 per cent., this yield having been figured on the basis of the 7 per cent. coupon rate of interest and does not give effect to additional participations. If called at a later date, the interest yield rate is from 9.50 in 1932, down to 7.36 in 1952, so that you will see the yield on this debenture is attractive, if purchased at 100.

Capital Trust Corporation

Will you kindly give me your opinion of the Capital Trust, Ottawa, re their guaranteed 5 per cent. investments. Do you consider the company sound and safe? I have some money for investment. Can you suggest some first mortgage bonds?

We consider the Capital Trust Corporation of Ottawa a thoroughly sound institution. You may purchase their guaranteed investments with confidence.

The selection of additional bonds for yourself would depend, to a very great extent, upon what you already hold, as this would have a bearing upon the degree of safety which you require. Naturally, the higher the degree of safety the lower the yield you will get. If you have a good reserve of securities and do not want absolutely the best bonds on the market, you could purchase:

St. Lawrence Paper Mill, 6% first mortgage bonds, due in 1946, to yield 6.17%;

Wayagamack Pulp and Paper Mills first mortgage 6% bonds, due 1951, to yield 6.05%;

Canada Steamship Lines, 6% and general mortgage bonds due 1941 to yield 6.10%;

Province of Buenos Aires external 7% bonds, due 1958 to yield 7.4%

When you get into higher ranking bonds, the yields are lower. These, however, would probably be satisfactory. Certainly, the industrial bonds mentioned are very sound, while the Buenos Aires bond is one of the foreign issues that still give a high yield and is mentioned in case that is what you are seeking.

Can. Industrial Alcohol

I have been advised to buy Canadian Industrial Alcohol which is now selling around $34 a share. Would you kindly give me your opinion about this stock and whether it is likely to appreciate in value in the next six months or so?

The financial position and prospects of Canadian Industrial Alcohol Company are such as to warrant the belief that the stock has not yet reached the limit of its advance.

Canadian Vickers

The writer is considering a purchase of a bond of the Canadian Vickers, new issue, first mortgage, 20-year sinking fund gold bonds, series "A." Do you consider these bonds a good investment, reasonably safe and likely to appreciate to at least par value? I have $1,000 to invest in a good bond or stock and wish to receive a return of 6 per cent.

The new issue of first mortgage bonds of Canadian Vickers is one of the most attractive bond issues that has come out recently. The yield is very good considering that two-thirds of the interest is virtually guaranteed by the government and we feel you need have no hesitation in purchasing whatever amount of these securities fits into your investment plan.

Investment Trusts

I see you have an article dealing with investment trusts. Would you be kind enough to give me a list of the best trusts in Canada and the rate of interest they pay?

Two good investment trusts operating in Canada to-day are the Economic Investment Trust, sponsored by Cochran Hay Co., Dominion Bank Bldg., Toronto, and the Canadian General Securities Corporation, sponsored by Canadian General Securities, Limited, 347 Bay Street, Toronto. These organizations are only selling common stock at the present time, but we consider the common stock in either company to be a good investment for almost any type of investor.

The Investment Bond and Share Corporation sponsored by Wood, Gundy & Co., combines the features of an investment trust and a holding company. Its 5% debentures due in 20 years sell at par.

Montreal Life—Sun Life

I would be glad to have your opinion as to the prospects of the Montreal Life Insurance Company, of Montreal.

In your opinion would anything be gained by going with them in preference to the "Sun?" I am well aware of the size and prestige of the "Sun" but in some ways I think a concern can get too big.

We do not care to discriminate between one company and another, but we can give you information regarding the various companies writing life insurance and from that you may doubtless draw your own opinion.

The Montreal Life has been in business for some 21 years now, and is, in our opinion, an exceedingly sound and aggressive company. It ranks with the best of the smaller Canadian life insurance companies, and we have every reason to believe that the company is operated under very capable management. The initial cost of a policy with this company would probably be about the same as the cost of a Sun Life policy. Perhaps the dividends on a profit-sharing basis would be larger in the first few years with the Sun Life, but the Montreal Life is increasing its dividend rate rapidly, so that it is impossible to say what the next decade will bring forth.

As far as the Sun Life is concerned, we do not feel that you need have any fear regarding its size. Size undoubtedly is an important factor in many spheres of activities, but in the life insurance business, it seems to inevitably react in favor of the policy holder. The company is noted for its generous distribution of dividends which probably counteract to a great extent the fact that initial premiums are somewhat higher than in other Canadian life insurance companies.

We may say that there has been a rumor to the effect that the Montreal Life is to be bought out by an English company. In this case, the policy holders' equity would likely be increased. However, there has, as yet, been no confirmation of the rumor.

Selling Abitibi

May I have your opinion on the following switch?

I have 200 Abitibi common which cost me approximately $15,000, a year or so ago. I propose to sell 150 shares and keep 50, which will have cost me nothing.

Then to buy 75 International Paper common at 50 approximately, and 75 International Nickel common at 62 approximately, for a long hold.

Abitibi may go much higher, but I have a good profit and I look for the new purchases to appreciate too, or I would not think of buying them.

And may I trouble you further for a criticism of my holdings?

33 shares bank stocks, **Royal, Commerce**, Dominion; 15 shares Brazilian common, 10 shares Dominion Textile, common, 5 shares Steel of Caanda, common, 25 shares St. Maurice Valley, pref., 5 shares St. Maurice Valley, common; $2,000 Real Estate and municipal bonds, and the Abitibi.

You see I haven't much; I am an amateur, and I need expert opinion occasionally. That is why I subscribe for The Financial Post.

Your investment list is an excellent one so we can suggest no important changes in it.

You are perhaps wise to liquidate some of the Abitibi Paper. You need not worry much about the future of this company, but it is always well to have one investment diversified and the best time to liquidate a particularly large block of any one security is when a good advance has been recorded.

We feel that the International Paper is, for a long hold, an excellent security. It might be pointed out that the purchase of 75 shares in this one company does not give you the essential diversification within the industry that is always advisable. If you would put approximately half the money in International Paper common and the other half in Spanish River common, you would be dividing the money between two excellent companies each with substantial prospects.

International Nickel is very attractive, but here again the same suggestion might be made. If half of the funds were left in International Nickel and the other half in Hollinger, the investment in Hollinger would probably prove just as satisfactory, if not more so, and you would in the meantime have greater diversification.

Your bank stocks are all good for an investor keeping the long term in view and certainly, for stability, bank stocks cannot be improved upon.

Brazilian common should show you even larger profits. Dominion Textile and Steel of Canada are both in line to advance as Canada grows.

There is just one point to be raised here; you have a very large amount invested in paper stocks; larger than you should have if you are to keep your list well balanced. Putting some of your money represented by your paper stocks, in sound public utilities such as Montreal Power, Shawinigan, Bell Telephone or Consumers' Gas, would serve to broaden out the list to good advantage. Winnipeg Electric is coming forward, and this should mean a steady upward movement in that security.

When Women Invest

Feminine Contributor Tells of Opinion of Cynical Broker on Stock Market Activities of Her Sex — Why Her Own Investments Are Well-Secured.

By M. M. R.

Some previous articles in this column have been from the women on the inside looking out. I am a woman on the outside looking in.

We hear on all sides that at the present time it is becoming more and more a general custom for women not only to invest but also to gamble on the market and on all sides you hear the opinions of the men in the bond and stock business of our merits and demerits in this particular field.

A chat which I had not long ago with a so-called old-timer in the stock-brokerage business was, while not convincing, at least provocative to further controversy. It brings new light on this interesting experiment which many of us are trying.

Broker Is Cynical

Women, he says, should invest, not gamble. Her choice should be bonds and high-grade preferred stocks where the yield is moderate and the speculative element slight. The reason is that as a rule we have a smaller capital to play with, while our perspective on the market is more limited and our experience still in its infancy.

He suggested that, if we win we are clever financiers and that, if we lose, he is a bad broker.

But, then, he was a rather cynical old man.

Editor's Note—M. M. R., it is understood, has had the benefit of an unusually conservative investment counsel. She would not be the woman to succumb to speculative enterprises.

Safety Comes First

It is intimated that she is an investor of moderate activity. When she was asked what were her buying habits, she said:

"I go to someone on whose opinion I can rely and accept his judgment." That "someone," it is said, is the investment officer of one of the large insurance companies. On his advice she has bought only bonds and preferred stocks.

The result will be satisfactory from the viewpoint of safety of principal. The average yield probably is somewhat higher than one might expect in view of the conservative character of the investment.

NEW ELEVENTH EDITION
The Greenshields Analysis

The 11th edition of our Analysis of Canadian Stock is now ready, revised to June, 1927.

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DEBENTURE ISSUES MOUNT IN NUMBER

Successful Companies Find Ready Market For This Type

Investors who look upon first mortgage bonds as securities par excellence must regard with no little interest the increasing number of debenture issues floated lately at between 4 and 5½ per cent. Within recent months an industrial corporation, a company engaged in the manufacture of heating equipment, successfully offered a $10,000,000 debenture issue to yield 4.80 per cent. interest a year to the investor. Early in May a large gas and electric corporation obtained $40,000,000 at 5 per cent. on its unsecured promise-to-pay. About the same time a concern making typewriters and office equipment marketed a $25,000,000 issue to yield 5½ per cent., and an oil company floated $40,000,000 worth of debentures yielding about 5.33 per cent.

A quarter-century ago financing would have been impossible. Investors then were inclined to look askance at issues which did not add the pleasant word "mortgage" to the title of the bonds. To-day they realize that a pledge of property as security for payment doesn't tell the whole story attaching to a bond. Earning power, they realize, is quite an important factor in investment values. To-day they can see that a corporation which has demonstrated earning power over a long period of years, which can show earnings many times interest charges, might offer a very safe working place for dollars, despite the fact that it offers no mortgage security.

This is not to deprecate the mortgage bond. There are many mortgage bonds which are about the best kind of investments to own. The truth is, however, that a mortgage has value for the bondholder mainly in event the issuing company defaults. Then, certainly, the bondholder who has a lien on valuable property will come off better than the bondholder who has no lien or a very weak one. But while the corporation continues to pay interest and principal when due it does not matter greatly whether its bonds are secured or not.

The Manitoba Cordage Co., manufacturers of medium and heavy wrapping twine, are now about to manufacture binder twine as well. The concern only started last May to turn out twines and cordage from hemp grown in Western Canada and appears now to be well established.

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News of Investment Markets

BANK SUPPORTS PLAN TO RETIRE DOMINION DEBT

Says National Debt is Mortgage Upon Industry

"It is to be hoped that the formulation of a definite plan for retiring the debt of Canada will not be deferred indefnitely." In these words the Bank of Nova Scotia, through its monthly review lines itself up with the Investment Bankers' Association in demanding a plan of debt retirement for Canada.

"Any public debt not represented bv corresponding assets (no matter how honorable the reasons for its contraction) is a matter for regret. It is a mortgage upon industry. . . .

* * *

"So long as the debt is current it represents a check on enterprise and energy," says the bank. Its discussion reads:

"It was appropriate that the Investment Bankers Association of Canada, during its recent meeting, should consider the question of debt retirement. Added point was given to the discussion by the fact that the minister of finance had asked for an expression of opinion on the matter. This took the form of an unanimous endorsation of the president's address, which discussed the broad issues involved and offered a detailed plan for extinguishing the debt in forty years with uniform annual payments of $23,447,000.

How Debt Has Grown

"Among the statistics illustrating the growth of the Dominion since Confederation not the least interesting are connected with the public debt. At the time of Confederation the net debt of the government of Canada was $22.73 per head of the population. During the period from 1867 till the declaration of war in 1914, there were twenty-three years in which the net debt per head of population declined, and twenty-four years in which it showed an increase. Nevertheless, and mainly because of expenditures in aid of railway construction and canals, by 1914 the figure had grown to $43.68 per head.

"The rapid and inevitable increase during and immediately following the war reached its climax five years ago. The net debt per head in 1922 was $270.93. Since then it has declined until at the close of the fiscal year ending in March, 1927, it amounted almost exactly to $245. The corresponding figure for the United States is about $160, and for Britain about $850.

Is Mortgage Upon Industry

"Any public debt not represented by corresponding assets (no matter how honorable the reasons for its contraction) is a matter of regret. It is a mortgage upon industry. To meet it a charge must be levied on the produce of industry, which is paid by the citizens as a whole in their capacity as producers. The fact that the proceeds of this charge are distributed mainly to citizens of the country (76 per cent. of the debt was held in Canada in 1925) and that remittances abroad are reduced accordingly does not and cannot alter its essential nature. So long as the debt is current it represents a check on enterprise and energy.

"Moreover, the purchasing power of the dollar to-day is higher than it was at the time when the bulk of the debt was contracted. Repayment is made, therefore, in dollars of greater value than most of those that were borrowed. To this extent the burden of debt is heavier than it would have been had the high prices prevailed some years ago been maintained until now. In Britain and the United States, it is true, the same great fall in prices has produced the same increase in the real burden of debt, but the latter country has done much to offset this by redemption on a large scale, amounting to about $8,000,000,000 or 30 per cent. The position of Canada side by side with her great neighbor on this continent leads to constant comparison of every kind. In this case comparison is to the advantage of the United States; for despite the resolute reductions lately made, the net debt of Canada is still within about $150,000,000 of its peak; a reduction of some 6½ per cent.

Hope for Early Plan

"It is to be hoped that the formulation of a definite plan for retiring the debt of Canada will not be deferred indefinitely. True, the task of the finance minister is harder than that of the secretary to the treasury. Canada, with a security market undeveloped in 1914, was involved in the war far earlier than the United States, and far more suddenly. Her task, both during and after the war, was aggravated by her unique railway problem. In the measure of her unsparing effort during the long years of crisis, she must inevitably have emerged with the heavier burden of debt. Moreover, for nearly five years after the war, she had to contend with trade depression. Faced with diminished tax receipts, she had first to secure a balanced budget. A greater reduction of debt in that time could have been achieved, only by prolonging the hardships of the citizen. To-day, the condition is far otherwise. With expanding revenues and a surplus of income over expenditure, the retirement of debt can be placed on a systematic basis. The point that emerges most prominently from the discussion is that an annual payment equal to no more than 1 per cent. of the present total debt would extinguish it altogether within relatively few years.

Pilsner Beer Raising An Additional $100,000

MONTREAL.—Pilsner Beer, of Montreal, which sold $100,000 of preferred shares in May, is offering an additional $100,000 of stock.

The new issue consists of 20,000 shares of $5 par value. The stock is redeemable at $5.25 and it is said that the company is likely to redeem the stock at that price within a year replacing it with common stock which will probably be offered at $10 a share. This statement is made by Mount Royal Securities in offering the shares.

Common stock is being given as a bonus on a basis of two shares of common with each ten shares of preferred.

Offering price is par.

Thunder Bay Paper Parent Co. Finances

MONTREAL.—National City Company Limited, headed a syndicate that offered this week $7,500,000 of bonds of Consolidated Water Power and Paper Company. This company owns outright the Thunder Bay Paper Company, which is now expanding its Port Arthur newsprint mill from 125 to 250 tons a day capacity.

Bonds were sold to yield 5.75 per cent. Particulars of the issue follow:

$7,500,000
Consolidated Water Power and Paper Co.
First Mortgage Gold Bonds, 5½%
Dated Aug. 1, 1927 — Due Aug. 1, 1947

Company—Large producer of newsprint, wall paper and sulphite. Owns four mills in Wisconsin with capacity of 400 tons, of which 300 is newsprint. Through a subsidiary, develops 35,000 h.p. of energy through another subsidiary, Thunder Bay Paper Company, operates newsprint mill of 125 tons daily capacity now being increased to 250 tons at Port Arthur, Ont.

Assets—Net current assets after financing amount to $3,235,349, and net tangible assets to $2,200 for each $1,000 bond.

Earnings—For five years and four months to April 30, 1927, were three times interest requirements on these bonds, and $2,000,000 of bonds of water power subsidiary.

Security—First mortgage on all tangible assets and lien on $3,200,000 of bonds of Thunder Bay Paper, on not less than $1,000,000 of bonds of Newaygo Company, a subsidiary, and on all capital stocks of all subsidiaries.

Sinking Fund—Commencing February, 1928, sufficient to retire 75 per cent. of bonds by maturity.

Offered—August, 1927, by National City Co., Ltd., First Trust and Savings Bank, Chicago, and First Wisconsin Company, Milwaukee, at 97 to yield 5.75 per cent.

General Combustion Sells Capital Stock at $10

MONTREAL.—MacIntyre and Company of this city are carrying on the financing of the General Combustion Company, formed to acquire a smaller company of similar name, as well as the business of the National Manufacturing Company.

This firm is making an offering of 35,700 shares of the company's capital stock at $10 a share. This is the only class of stock or bond being issued.

The company will produce a number of patented specialties. At the present time, it is selling fire extinguishers and blowers for forced draft heating. It has also acquired Canadian patents on a type of furnace that will use the cheaper grades of coal.

Total amount of stock outstanding will be 70,000 shares.

Directors are Dr. Milton L. Hersey, who is president; Norman M. Campbell, who is vice-president; H. Beverley Robinson, Jules Crepeau, R. W. Phelps and J. W. Bell.

Particulars of the issue follow:

35,700 Shares
General Combustion Company
Capital Stock

Company—Formed to acquire former company of same name with plants at Brockville and Ottawa.

Assets—Fixed assets shown at $482,776 and net current assets at $234,277.

Earnings—Net profits estimated at $134,600.

Capitalization—	Authorized	Issued
Cap. stock ($10 par)	75,000 shs.	70,000 shs.

Offered—August, 1927, by MacIntyre and Company, 136 St. James St., Montreal, at par.

Quebec Navigation Co. Bonds Offered to Public

MONTREAL.—Financing of the Quebec Navigation Company has been undertaken by Bray, Caron and Dube, who are offering $85,000 of ten-year, 6½ per cent. first mortgage bonds.

The company receives an annual subsidy of $15,000 a year from the federal government, more than sufficient to meet interest and sinking fund charges.

Particulars of the issue follow:

$85,000
La Compagnie de Navigation de Quebec
(Quebec Navigation Company)
First Mortgage 6½% Bonds
Dated Jan., 1927. — Due Jan., 1937

Capitalization	Authorized	Issued
These bonds	$85,000	$85,000
7% cumulative pref.	75,000	75,000
Common shares, no par,	800 shs.	88 shs.

Company—Incorporated in 1926, operates passenger and excursion steamship routes in St. Lawrence River. Owns three vessels.

Security—First mortgage on all assets valued at $160,000. Pledge is made to the trustee of sufficient to meet interest and sinking fund payments, this being derived from annual subsidy of $15,000 from federal government.

Offered—August, 1927, by Bray, Caron and Dube, 105 St. Peter Street, Quebec. Price par.

A. E. Ames & Co. Offer National Radiator Issues

A. E. Ames & Co. were the Canadians in a syndicate that this week offered $12,000,000 of debentures and 60,000 shares of preferred stock of the new radiator merger — National Radiator Corporations.

Arrangements for the merger of six of the leading companies in the radiator industry were completed last week. The new corporation, the National Radiator Corporation, will be the second largest in the industry controlling more than one-fifth of the entire output in the United States. The companies involved in the merger include the National Radiator Company, the Niagara Radiator and Boiler Company, Continental Heater Corporation, Utica Heater Company, Union Radiator Company and Gurney Heater Manufacturing Company.

The new corporation will own ten plants.

Offering was made of a new issue of $12,000,000 National Radiator Corporation 6½ per cent. sinking fund debentures, due Aug. 1, 1947, redeemable at 107½ and accrued interest on or before Aug. 1, 1932, and thereafter at a reduced scale of prices and of a block of 60,000 shares of $7 cumulative convertible preference stock (no par value).

Sun Life Writes Group Insurance on Hat-Makers

Group assurance in Canada continues to make rapid strides. It was first written about seven years ago, and at the present time something like $250,000,000 of group assurance is in force. Industrial firms and other corporations are realizing the value of this form of assurance.

One of the latest contracts to be closed is that of the Wolthausen Hat Corporation, Brockville, Ont. A group assurance contract was closed during the past week with the Sun Life Assurance Company of Canada. Under this plan each of the employees of the hat company is protected for an amount increasing with years of service, the entire cost being borne by the Brockville organization.

With the thousands of grain cars already on its lines in the West augmented by 10,000 additional from eastern lines and with 70 of the largest engines in the country transferred to the prairies to reinforce the hundreds already in service, the Canadian Pacific Railway is all ready to help move the wheat from the country elevators to the markets of the world.

English Company Buys Wallpaper Bond Issue

Discussing the recent merger of four Canadian wallpaper companies, the London Times gives some details of the financing.

An amalgamation, it says, has just been arranged of the wall paper manufacturers in Canada, comprising the businesses of Reg. N. Boxer, Limited, Stauntons, Limited, Watson, Foster & Co., and Colin MacArthur & Co., under the style of the Canadian Wall Paper Manufacturers, Limited. The Wall Paper Manufacturers, Limited, of England, has arranged to take a considerable interest in the new company, both in shares and bonds, and the balance of the share issue is being taken up by some of the vendors. The figures have not yet been definitely ascertained, but it is anticipated that the capitalization of the company will be about $3,500,000, divided into $2,500,000 of ordinary shares and $1,000,000 in deferred shares. Of the capital the English company will take up about $1,500,000 in ordinary and deferred shares; there will be no preference shares, but the company will have a bond issue of about $500,000 in redeemable gold bonds, the whole of which will be subscribed by the English company. The control of the company will be in the hands of a Canadian board, which, however, will contain representatives selected from the board of the English company. It is expected that considerable economies will result from the amalgamation. The English company was registered nearly 30 years ago, and has an issued capital of £4,359,453, out of an authorized total of £5,000,000. It has also a four per cent. debenture debt of just over £1,000,000. Recent distributions on the deferred capital of £1,923,013 have amounted to 12½ per cent.

Offer Stock in Public Golf Course in Montreal

MONTREAL.—Public stock on issue on a public golf course is the newest in finance in this city. Gilman, Corbin & Company, 190 St. James Street, are offering 9,500 shares of preferred stock of Public Golf Course, Limited. Company will operate a public golf course near Montreal West under the name of "Westmore."

Shares are of $10 par, pay 7 per cent. cumulative, and are offered at par with a bonus of two shares of common stock with each five preferred shares. Total number of common shares outstanding is given as 7,800.

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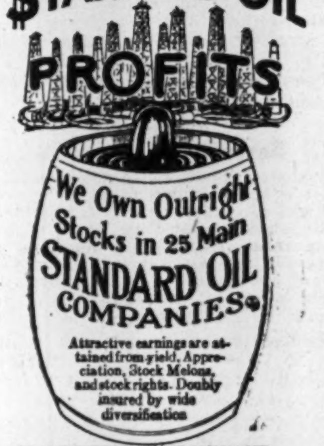

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Investment Trusts Should Give Security of Income Primarily

Montreal Writers See Dangers Where Speculative Profits Are First Aim of Investment Trust Managers

By PETER WATSON

The Financial Post was the first Canadian paper to bring the advantages of investment trusts prominently before its readers. It was also the first paper to call attention to fundamental weaknesses in certain so-called investment trusts and to indicate the sound lines upon which such trusts must be drawn if they are to serve the most useful function for the investor.

In this article, the two well-known young Montreal statisticians and counsellors, who hide their identity under the nom de plume of Peter Watson, sketch the dangers that are inherent in the investment trust when it is approached from the wrong angle, and at the same time they recognize and emphasize its pointed advantages for the investor when properly set up and managed.

The coming of the investment trust to Canada has been heralded in much the same manner as the coming of the circus to a country town. The circus is a sound institution and Barnum's own dictum about fooling the people proves this. Still it is the accepted custom of the circus that the mildest mannered in the troop is the Wild Man from Borneo and that the Fat Lady charges too much for her picture postcards.

On Sound Lines in Britain

The investment trust is a sound institution and the experience of British investors proves this. Still it has been the means of as much unfortunate investment and unsound finance as any form of financial organization. Some part of the experience of British investors in the early days of invesment trust development was bitter and not unassociated with fraud. In recent years that system of investment has been reduced to thoroughly sound lines. In shaping our own course, in what should be in Canada not only a legitimate, but a profitable business, we should be well advised to follow the lead of more recent experience.

So much has appeared in the press of this continent emphasizing the security and success of the "British" type of trust, and so many widely varying trusts have been formed which purport to conform to the time proven standards of successful trusts that the uninformed lay investor may well be forgiven if he believes, as many would have him believe, that the millenium of high profits with safety has been attained.

New York Starts Inquiry

That the informed financial man is *not quite* convinced is indicated by the wariness with which the listing committee of the New York Stock Exchange goes about the consideration of including securities of investment trusts among their listed stocks and bonds.

The rapid multiplication of investment trusts in the United States has been such that the Attorney General of New York State has decided to make a general examination of their nation and methods. The financial press, as instanced by recent leading articles in the "Wall Street Journal" and "New York Times," echoes the need for such an investigation. We in Canada may well take a leaf from our neighbor's book and investigate when we hear mentioned in conjunction those two words of power—"investment" and "trust."

Long Time Coming Over

It is rather surprising that the investment trust idea was not transplanted from Britain to this continent long before it was, in view of its attractive features and the willingess of the people here to accept new ideas readily. Perhaps the explanation lies in the difference of attitude between the British and North American investor. Perhaps it lies in the fact that it was only as a result of after-war conditions that people here began to take any interest in international investment.

At any rate it is significant that the investment trust made its appearance on this side when the speculative benefits from buying securities were at their greatest. If the success of the American trust has not been due to the rise in security values, the popularity of the investment trust idea has beyond doubt grown with speculative profits as a background.

Management Is Ever Important

Types of trust that have successfully come into being on this continent vary from the most conservatively safeguarded trust closely following types that have, by years of weathering in the financial storms, proved their claim to safety, Nevertheless, most of them might well claim to follow the "British" type because in England and Scotland many trusts for many purposes have come into being during the past half century. Some, alas, have passed out again and when the average investor, visioning untold profits plus safety, realises that the first requisite of any business—management—must be present to a greater degree in this business than in any other, then the mushroom growth of organizations designed primarily for the profit of the dealer will cease and the legitimate trust will receive that recognition which is its due.

There is nothing wrong with an investment trust making money. Their ability to do so through management and constant study of conditions and trends is one of their great advantages. Such profits in good times are the best insurance of interest and dividends in bad times. More than that, the common stocks of well-administrated trusts should gradually increase in value as representing an increasingly valuable equity in the companies owned.

It is significant, however, that these companies in England which have shown the stability which is their "raison d'etre" are those which have consistently built up reserves in times of prosperity. The average financial setup of the twenty-five leading British companies, representing a capitalization of about $300,000,000, shows that 41.5 per cent. of this was furnished by debentures, 28.5 per cent. of preferred stocks and the balance of 30 per cent. only was in common stocks.

The danger lies, at this time, in the securities of trusts being looked upon more as means of profits than as sources of income. It is not possible to say whether the investor is likely to be disappointed in these hopes of profit or not. The point is that if he demands it the result under present conditions can hardly be satisfactory. If the keynote of the present discussion of investment trusts were security rather than profit one would feel that we were on safer ground.

Diversification is no Panacea

The advantages of diversification which are stressed by every organization marketing investment trust securities is not to be minimized. Nevertheless diversification is no panacea, and if that diversity of holdings is obtained by a mere taking up of new issues sponsored by the same interests, which have failed to move well, or is limited to one class of security or industry then its value as a safeguard is considerably depreciated.

To the writer it seems that the greatest advantage to be gained from the investment trust is security of income. It can offer this security in the degree the investor requires it, great, greater, greatest; common stock, preferred stock, bonds. Sound investment trust administration takes the form of building up surplus to safeguard interest and dividends. The common stock therefore, in the light of appreciation, is a long pull speculation only. Offers a large return and quick appreciation in value seems unsound in this conception of the duty of management.

And on the subject of management. "How prone to doubt, how cautious are the wise!" The wisdom of some developments in the investment trust on this side of the water must be doubted and there is the danger of these being copied in Canada. Interlocking trusts, pyramiding of profits, control of corporations, are evils which the British trusts had to work out of their systems with considerable pain. In almost the fourth year of a bull market in securities, who can say that we shall be wiser than they!

The listing papers of the Canadian Bronze Company, Limited, reveal that the 12,500 shares of preferred stock is held by 345 shareholders and the 40,000 shares of no par value common shares by 325 individuals.

The Vancouver Iron Works have just completed a new shop for the manufacture of boilers, tanks, stacks and other steel plate work.

Talk Beet Sugar Plant on Fraser

Arrangements for the establishment of a beet sugar industry in the Fraser Valley by an English company, capitalized at $2,000,000, have been completed, according to word received by the New Westminster board of trade. The company will acquire a large area in the Fraser Valley worked by English and Scotch labor. The plant, it is believed, will be located in New Westminster.

TORONTO TRAMS, CITIZEN - OWNED, GAIN IN REVENUE

Small Surplus is Shown; Warn That Extensions Have Limit

The annual report of the Toronto Transportation Commission for the fiscal year ended last December 31st, shows an increase in gross revenue to $12,050,304, as compared with $11,157,893 the previous year. Operating and maintenance expense totaled $7,508,915, which leaves $4,451,389 available for fixed charges, including depreciation. The report gives the total of fixed charges and reserve at $4,464,437, which adds $76,951 to the surplus account. The surplus account now stands at $248,372, certain adjustments having been made which reduce the amount to a figure lower than that of the previous year.

As the desideratum of the commission is to provide a transportation service at cost, there being no object in piling up surpluses, the totals of earnings above interest on debentures and sinking funds can be allocated for replacement and improvements. But the commission warns that there cannot be many more extensions of service at the present fare in view of the already long hauls that are the rule. It is said that Toronto has the lowest fare, with one exception of any North American city of comparable size, and that the fare in that one city is but a scant quarter of a cent lower than in Toronto. The average fare in Toronto is 6.126 cents.

As a commentary on the improved business conditions generally, it is noted that the total number of passengers caried, exclusive of the coach lines, increased by nearly 3,000,000 last year, although the total is still about 5,500,000 lower than the record year of 1923.

Current Costs More

The motor coach lines of the commission are profitable, says the report, although detailed figures are not given to show the amounts charged for depreciation of the buses, etc. The ferries, it is said, are not now operating at a profit, but it is hoped to increase the gross revenue derived therefrom.

Electric current cost the commission $64,638 additional in 1926, as compared with 1925, but this increase was largely offset by a decrease in other expenses amounting to $59,570.

The situation with regard to the out-of-the-city radial lines is not altogether satisfactory, although improvements are hoped for. However, it is pointed out that losses accruing in this way are not chargeable against the commission, but must be borne directly by the municipalities concerned.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	96½	97½
Abitibi P. & P. 6s, 1940	104⅜	105¼
Algoma Steel 5s, 1962	27¼	28½
Alberta Pac. Grain 6s, 1946	96¾	97⅜
Bell Telephone 5s, 1955	101¼	101¾
Belgo Can. Paper, 6s, 1943	101¼	102
Brandram-Henderson, 6s, 1936	96	98
B. C. Pulp & Paper 6s, 1950	87	91
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	92½	94
Calgary Power 5s, 1940	92⅝	93⅝
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91¼	93¼
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98⅜	99⅜
Can. Steamships 6s, 1941	98	98½
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	93½	95
Dominion Iron 5s, 1939	34	37
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s. 1966	104⅜	105
East Kootenay Pr. 7s, 1942	103⅛	104½
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	98½	100
Fraser Co. 6s, 1950	98	98¾
Gatineau Power 5s, 1956	96⅝	97⅜
Gatineau Power, 6s, 1941	100⅜	100⅞
Howard Smith P. & P. 6s, 1941	103¼	104¼
International Paper 6s, 1941	101¾	103
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	104⅝	105¾
Laurentian Pr. 6s, 1936	103½	105
Laurentide Pr. 5½s, 1946	100½	101½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	99¼	99⅞
Mercury Mills 6½s, 1942	101¼	102½
Mont. L., H. & Pr. 5s, 1951	99⅝	100⅜
Mont. Pub. Service 5s, 1942	98⅞	99⅝
Nor. Ont. L. & P. 6s, 1946	101	102
Nor. West Utilities 7s, 1938	99	100
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	31	34
Nova Scotia Tram. 5s, 1946	91½	92½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Paper 6s, 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103	104½
Ottawa L., H. & Pr. 6s, 1953	103⅝	105
Ottawa Mont. Pr. 6½s, 1949	102⅝	103⅜
Ottawa Trac. 5½s, 1955	100⅝	101⅜
Ottawa River Pr. 6½s, 1953	101	102
Port Alfred P. & P. 6½s, 1943	100¼	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95¼	96
Sao Paulo Tram. 5s, 1929	97⅞	98½
St. Lawrence Paper, 6s, 1946	96½	97¾
St. Maurice Valley 6s, 1945	98¾	100
St. Maurice Pr. 6½s, 1953	107	107¾
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98¾	99¼
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103	104½

Foreign Power Subsidiaries Show Increasing Earnings

A. J. Nesbitt, of Nesbitt, Thomson & Co., Ltd., who recently returned from a trip to France, stated that the light and power companies in France in which the Foreign Power Securities Corporation is interested, are showing greatly increased earnings.

The net earnings of L'Energie Industrielle for the five months ending May 31 showed an increase of 26 per cent. over the corresponding period of the preceding year.

Mr. Nesbitt also stated that the Foreign Power Securities Corporation had acquired a substantial interest in another large light and power company in France which is increasing its hydro-electric capacity.

Tenders and By-laws

August 20, United Townships of Mansefield and Pontefract, P.Q.—$15,000, 5½ per cent., serial debentures. D. J. Shea, sec.-treas.

August 29, Sioux Lookout—$30,000, 5 per cent., 20-instalment.

August 17, St. Laurent—$8,300, 5½ per cent., 15-year serial bonds. P. A. DeGuire, sec.-treas.

August 15, Village of Crystal Beach—$35,535, 5½ per cent., 10-instalment debentures. J. O. Page, clerk.

Aug. 24—Cochrane—$50,000, 5 per cent. 20-instal. High School debs R. C. Mortson, clerk and treas. (See announcement on page 16).

Saskatchewan

Authorizations granted by the Local Government Board from July 23rd to July 30th, 1927: Schools—Nipawin Village, No. 4,627, $15,000; Inglenook, No. 4,708, $3,000; Greendyke, No.. 274, $2,200; Dewdrop, No. 840, $4,500; Devon, No. 4,461, $1,500; Pibroch, R. Co., $500; South Gravelbourg, R.T. Co., $700; Scott R.T. Co., $1,425; Whitewood St. Hubert R.T. Co., $1,200.

Debentures Reported Sold

Hawley, No. 370, $2,000, 10 years, 6 per cent., A. Lingduist, Assiniboia; Scout Lake, No. $3,604, $6,000, 15 years, 5½ per cent., F. Watchler, Regina; Barrier Ford, No. 4,618, $1,500, 10 years, 6 per cent., Houston & Willoughby, Regina; Emsdale, No. 4,047, $1,700, 10 years, 6 per cent., Sask. Farmers Mutual Fire; Levant, No. 1,591, $4,500, 15 years, 5½ per cent., Cross & Co., Regina; Confederation, No. 4,704, $4,000, 15 years, 5⅝ per cent., Cross & Co., Regina; Aspend, No. 4,655, $1,500, 15 years, 5½ per cent., Nay and James, Regina; Trossachs, No. 1,077, $3,000, 10 years, 5½ per cent., F. Watchler, Regina; Frame Lake, No. 3,456, $512, 10 years, 6½%, F. Watchler, Regina; Pambrum R. T., $3,100, 15 years, 5½ per cent., Cross & Co., Regina; Corinne, No. 2,720, $2,000, 10 years, 5½ per cent., Biggar Sinking Fund; Dunblane, No. 3,465, $24,000, 20 years, 5½ per cent., Mr. Williams, Dunblane; La Balm, No. 4,573, $2,000, 15 years, 6 per cent., Turner & Co., Regina; Last Mountain Valley, No. 92, $1,000, 10 years, 5½ per cent., Regina P.S. Sinking Fund; Indian Hill, No. 1,786, $3,500, 15 years, 5⅝ per cent., C. Cross & Co., Regina; Assiniboia R. T., $5,000, 15 years, 5½ per cent., T. H. West, Assinboia; Bruce R. T., $4,000, 15 years, 5½ per cent., T. H. West, Assiniboia; St. Vitor R. T. Co., $1,550, 15 years, 5¾ per cent., Houston Willoughby, Regina.

Debenture Notes

Scarboro' Township—Council recently passed a by-law authorizing an issue of $46,000 debentures for construction of a four-roomed school.

Security Index Showed Small Decline in July

The Dominion Bureau of Statistics index number of 31 industrial common stocks weighted with the quantity of stock outstanding (1913=100) fell slightly in July being 294.8 as compared with 296.1 in June. Iron and steel and iron and steel products declined from 216.5 to 213.7, milling stocks fell from 298.9 to 297.4 and the miscellaneous group from 398.5 to 390.6. Pulp and paper stocks rose from 197.5 to 203.5, textile and clothing stocks from 340.6 to 344.6 and food and allied products from 360.7 to 369.7.

Nine bank stocks rose from 119.2 to 122.8.

Ten public utility stocks rose from 107.0 to 108.8. Transportation and telephone stocks were higher while municipal railways and power companies declined.

The combined index for 50 common stocks was 176.1 as compared with 175.2 in June.

The index number for 23 preferred industrial stocks declined from 106.1 to 105.3. Iron and steel, manufactures of iron and steel, milling, foods, and miscellaneous stocks all showed slight declines. Textile and clothing and pulp and paper stocks showed rising tendencies.

Sixteen industrial and public service bonds were 111.1 in July as compared with 111.0 in June.

The weighted index number of the twenty-five best selling industrial and public utility common stocks on the Montreal and Toronto Exchanges computed by the Dominion Bureau of Statistics was 363.1 last week as compared with 358.7 for the week ending July 30th, a rise of 4.4 points.

The weighted index number of the volume of stocks traded fell from 36.4 to 25.6 and that for the total value of stocks traded, from 130.6 to 92.9.

This Week's Bond Sales

FREDERICTON ISSUE

The Royal Securities Corp. of St. John has been awarded an issue of $25,000 City of Fredericton, 5 per cent. 20-year debentures at 102.

City of North Bay

An issue of $33,500 City of North Bay, 5 per cent., 20-instalment bonds has been awarded C. H. Burgess & Co., at 98.83, or a cost to the city of 5.14 per cent. The bids were:

C. H. Burgess & Co.	98.83
Royal Securities Corporation	98.54
A. E. Ames & Co.	98.51
McLeod, Young, Weir & Co.	98.18
Dyment, Anderson & Co.	97.96

King Township Issue

Dyment, Anderson & Co. have been awarded an issue of $31,000 Township of King, 5 per cent., 30-year debentures at 99.12, a cost to the township of 5.01 per cent. The bids were:

Dyment, Anderson & Co.	99.12
Royal Securities Corp.	99.52
A. E. Ames & Co.	99.51
Stewart, Scully & Co.	99.50
C. H. Burgess & Co.	99.41
McLeod, Young, Weir & Co.	99.39

BOND MOVEMENTS OF THE WEEK

Week Ending Aug. 9

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos 1st mtge.	6	1941	6.03	101⅝	98¼	102	92¼	101⅛	99⅞	99⅞	..
Do., gen. mtge.	6	1956	6.55	83¾	81¼	94⅛	88	92⅞	91⅞	92⅞	..
Canada Bread	6	1941	5.40	106	104	103½	105	..	105½	105¾	..
Can. Canners	6	1950	6.04	100	94	100¼	96½	100	99	99½	..
Dom. Iron	5	1929	11.61	94	86	92	69	..	85	86	85½
Montreal Trans. "A"	5	1955	5.20	95	92½	97	94¼	97⅜	96⅜	97	96
Quebec Rly.	5	1939	4.94	100	91⅛	100½	96	..	100	100½	100⅜
Wayagamack	6	1951	6.08	100⅝	90	100	97	99	97½	99	98
War Loan	5	1931	4.70	100.40	100.35	101.85	100.75	....	101.25	101.55	101.25
Do.	5	1937	4.49	104.95	102.75	104.40	102.95	....	104.10	104.40	104.15
Victory Loan	5½	1927	4.90	102.50	100.15	101 00	99.85	....	100.25	100.20	100.05
Do.	5½	1933	4.70	106.35	103.20	105.20	103.90	104.90	104.65	104.90	104.45
Do.	5½	1934	4.98	104.40	102.65	104.10	103.00	103.45	103.30	103.30	103.05
Do.	5½	1937	4.55	103.90	106.70	108.50	106 90	....	108.10	108.50	108.05
Do., Renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	....	100.15	100.00	....
Do., Renewal	5½	1932	4.99	103.90	102.00	103.55	101.85	102.65	102.40	102.40	102.25
Do., refund	5	1928	4.85	101.35	99.00	101.45	99.75	100 35	100.20	....	....
Do., refund	4½	1940	4.58	96.95	95.60	100.05	96.60	99.25	99.00	99.15	98.90
Do., refund	5	1943	4.69	102.80	101.10	103.90	102.30	103.65	103.40	103.50	103.45
Do., refund	4½	1944	4.55	97.15	95 70	100.10	98.05	99.25	99.00	....	....
Do., refund.	4½	1946	4.55	99.60	95.65	100.25	96.70	99.25	99.00	99.40	99.25

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
King Township	July	Dyment, Anderson & Co.	5%	30-yr.	$31,000	99.12	5.01
North Bay	Aug.	C. H. Burgess & Co.	5%	20-ins.	33,500	98.83	5.14
Les Escoumains, Que.	July	Lagueux & Darveau	5½%	20-ser.	10,000	....	...
Brandon Sch. Board	Aug.	Bank of Commerce	5½%	30-yr.	40,000	105.15	...
Gravelbourg, Sask.	July	Cross & Co.	6%	10-yr.	5,000	....	...
Saskatchewan Schs. and Phones	July	Various	....	....	70,962	....	...
Fredericton	Aug.	Royal Securities Corp.	5%	20-yr.	$25,000	102	4.84

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Cons. Water & Pr. & Paper	Aug.	National City Co. and Syndicate	5½%	1947	$7,500,000	97	5.75
L'Aquidec du Comte de Soulanges	July	Corp. de Placements d'Utilities	7%	1937	150,000	97	...
Fabrique de Port Alfred	July	National Credit Corp.	5%	15-ser.	100,000	100	...
			6½%	10-yr.	85,000	100	6.50
Quebec Navigation Co.	Aug.	Bray, Caron & Dube					

RECENT ISSUES
Canadian National Railway
4½% Bonds - 1957
Price: 98.50 and interest to yield 4.60%
City of Sherbrooke, Quebec
4½% - 30 Year Serial Bonds
Price to yield 4.30%
Full particulars on request
RENE-T. LECLERC
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INVESTMENT BANKERS
HAMILTON, ONT.
BRANCH: BELLEVILLE, ONT.

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American Bank Says Newfoundland's Growth Has Only Just Begun

Review by Bank Organ Tells of Progress of Island Dominion and Forecasts Progressive Development in Future

Review of National Bank of Commerce, New York.

Inhabitants of the United States are accustomed to think, rather vaguely, of all the area to the north of them as Canada. Recent settlement of an important and long-disputed boundary claim between Canada and Newfoundland directs attention to the fact that the United States does have more than one northern neighbor.

The settlement referred to adds some 110,000 square miles of the Labrador Peninsula, rich in timber reserves, waterpower resources and minerals, to Newfoundland, the valuable natural wealth of which is still mainly to be developed.

Population of 263,000 People

Newfoundland proper is an island of about 43,000 square miles, lying at the mouth of the St. Lawrence along the trade route between America and northern Europe. It is a spearate dominion with no political connection with the Dominion of Canada. The narrow strip of coast on the mainland known as Labrador has been a dependency of the country, and the present award of the contested territory lying back of Labrador nearly triples its area and vastly increases its economic resources. The population of Newfoundland, including Labrador, is of English, Scotch and Irish extraction. According to the census of 1921 it numbered 263,000 persons, a gain of 20,000 over the 1911 figure.

Along its seacoast of approximately 6,000 miles lie some of the most valuable fisheries in the world. They have been in use for more than four centuries, for within a few years after the discovery of the island in 1497 fleets from Britain, France and Portugal were fishing its waters. Since then the industry has dominated the life of the dominion, and has perhaps tended to retard its development along other lines. To-day it is estimated that approximately one-fourth of the total population is employed in fishing. About 15,000 craft are engaged, practically all of them small vessels, owned individually.

Fish Chief Export

Fish are taken along the coasts of both Newfoundland and Labrador and on the Grand Banks, which extend out for about three hundred miles into the Atlantic. The catch comprises cod for the most part, with smaller quantities of herring, salmon and haddock. The fishery products make up more than half the total value of exports as shown in the following table:

PRINCIPAL ARTICLES EXPORTED FROM NEWFOUNDLAND

	1923	1924	1925
	(in thou'ds)		
Fishery products, total..	$12,374	$10,867	$13,043
Fish:			
Cod, dried	10,135	8,484	10,446
Herrings, pickled	371	461	272
Lobsters, preserved in tins	289	171	99
Oil:			
Cod, refined	37	31	77
unrefined	657	494	890
Seal	171	275	397
Whale	4	36	87
Other Fishery products.	710	915	775
Paper	5,052	5,424	6,273
Pulp	364	532	216
Iron ores	1,706	1,282	1,900
All other exports	1,461	2,967	2,158
Total	$20,957	$21,072	$23,590

Dried cod accounts for 80 per cent. of the value of fishery products shipped. About one-half of it goes to Spain and Portugal, smaller quantities being purchased by the West Indies, Italy, Brazil and Greece, Canada, the United Kingdom and the United States. The last three are also large consumers of pickled cod. The United States purchases considerable quantities of cod oil which in the cod fishery industry ranks next to dried cod in value. Large amounts of this product are used in tanning leather.

Herring follows cod among the fishery exports. Although certain quantities are shipped frozen or in bulk, those of pickled herring predominate. The United States takes more than half of the exports, with Canada following.

Lobster Fishing is Limited

Fresh and pickled salmon and salted haddock are likewise commercially important. Canada and the United Kingdom are the principal markets for the former, and Portugal, Italy and the West Indies for the latter. Lobster fishing has been limited in recent years by government regulations, which impose a closed season. This, however, will expire at the end of 1927.

The seal and whale fisheries have declined in importance since 1916, and the number of seals taken during that time has fallen off by almost one-half. These animals have considerable commercial value for their skins and fats. The United States and Scotland purchase substantial quantities of the skins for manufacture into a superior quality of leather and of the oil for foods, medicinal and illuminating purposes.

Further progress may yet be made in the fishing industry by the installation of cold storage plants, which would improve the grade of the cod. Up to the present time little has been accomplished toward developing cod oil on a commercial scale.

Resources Not Fully Developed

Except for the fisheries the economic resources of Newfoundland remain comparatively undeveloped. Forest covering 10,000 square miles have not yet been completely surveyed. Valuable stands of spruce, balsam, fir, pine, birch, maple and ash, however, are known to exist. These have been well protected in recent years from serious forest fires by special measures. The spruce and fir forests offer potential raw material for pulp and paper manufacture which can readily be developed with the available water power to supply electricity. The first paper mill was established at Grand Falls in 1909. Since that time the industry has developed at a moderate pace. The mills now in operation have a daily capacity of 700 tons. An ample supply of labor and proximity to the British and North American markets are added advantages for further development of this manufacture. Under existing contracts, English firms take the major portion of the newsprint exported, but upon the expiration of these contracts Newfoundland will be able to help supply the growing demand of the United States in a larger measure.

Agriculture has thus far been developed on a small scale only, mainly by the families of the fishermen. In 1921 only 89,000 acres were under cultivation. Numerous attempts have been made to encourage the industry. In April, 1925, the rail and coastwise rates on all local and farm produce consigned to St. John's were reduced by the Railway Commission, and the Department of Agriculture has also made special provision so that farmers may receive fertilizer at a low cost. The leading crops are hay and potatoes, although other vegetables, fruits and berries are grown. Grazing and dairying, however, offer greater possibilities especially in the western part of the island, where the soil is fertile and the climate more favorable.

Valuable Mineral Deposits

The valuable mineral deposits of the country were not discovered until comparatively recently. The first copper mine was opened in 1864. Since then geologists have reported that the island contains considerable wealth in iron, copper and silver-bearing lead ores. Besides these, zinc, chromite, molybdenite, slate and gypsum are present in workable quantities and granite and other building stone are available. An important amount of sulphur ore exists, but it has been unprofitable to develop it commercially since sulphur can be produced in the Gulf region of the United States at a much lower cost. What little coal the island contains is not worth mining in view of its proximity to the mines of Cape Breton, Nova Scotia.

Newfoundland's iron-ore deposits are of outstanding importance. Geologists have estimated them at 2 to 3½ billion tons of iron ore suitable for use in the basic process. These are said to be among the largest in the world and the cost of production is low at mines now being worked. Iron ore now ranks third among the colony's exports and shipments of ore are made to Australia, Canada, England, Belgium and Germany.

For some time copper was produced in quantity, but mining ceased at the close of the war for lack of concentrating facilities and because of the fall in copper prices. The industry has recently been assisted by legislation providing for bounties on production and for the free entry of machinery and equipment for smelters, in addition to coke for smelting purposes.

Import Manufactured Articles

As is to be expected in a region of limited agricultural and industrial development, textiles, foodstuffs and coal are the major commodities imported into Newfoundland, with Canada, the United States and the United Kingdom the principal sources of supply. The imports of the dominion are shown in the table:

PRINCIPAL ARTICLES IMPORTED INTO NEWFOUNLAND

	1923	1924	1925
	(in thou'ds)		
Flour	$ 2,718	$ 2,568	$ 2,751
Coal	1,619	2,153	1,964
Cottons, Woollens, silks, linens and apparel ...	2,257	2,714	*
Leather and leatherware	535	570	624
Meats:			
Beef, salted	517	648	830
Pork	639	650	786
Hardware (iron, railway material, etc)	563	910	*
Tea	371	519	593
Sugar	508	844	692
Molasses	428	693	429
Salt in bulk (other than table and dairy) ..	192	123	174
Butter, butterine and oleo	232	239	269
Tobaccos—manufactured and leaf	222	331	298
Wines and spirits (excluding methylated and medicinal spirits)	200	1,582	1,340
All other	8,321	13,133	25,696
Total	$19,322	$27,677	$36,405

*Not separately specified, included in "all other."

Textiles, as a group, exceed all others in value of imports. During the fiscal year ending June, 1925, textiles worth close to $4,400,000 were purchased abroad. The United States furnished about 45 per cent., the United Kingdom 39 per cent. and Canada 15 per cent. of the total. Dry goods valued at $848,000 constituted the largest item, followed by ready-made apparel, collars and cuffs, $755,000 and cotton fabrics, $485,000. The United States is the chief supplier of ready-made clothing, cotton dress goods and mixtures of cotton and wool. Heavy woollens are purchased mainly in the United Kingdom.

Although foodstuffs as a group rank second to textiles, wheat flour is the largest single item of import. During the fiscal year ending June, 1925, Newfoundland purchased abroad 342,000 barrels of that commodity valued at $2,751,000. Ninety per cent. of the amount was furnished by Canada, the balance largely by the United States.

Import Industrial Machinery

Meat imports in 1924-25 totalled over $2,250,000. Sugar, molasses, tea and butter are required in considerable quantities. Large amounts of coal are imported each year. Canada, because of its proximity, is the chief source of supply. The United States, furnishing both anthracite and bituminous, ranks second and the United Kingdom third.

The recent expansion of the pulp and paper industries in Newfoundland is responsible for the marked gain in imports of industrial machinery into the colony. Up to the present time these requirements have been met mainly by Great Britain and Canada. The activity of the local boot and shoe manufacturers has furnished a steady market for leather imports. Practically all of the leather purchased is consumed in the manufacture of footwear. The United States is the chief source of supply.

The totals of Newfoundland's foreign trade are shown in the next table. A steady gain is noted in the past twenty-five years, unusually well balanced between imports and exports. From $15,800,000 in 1900-01 the aggregate increased to $60,000,000 in 1924-25. The unfavorable balances for the two years ending June 30, 1925, are the result of large quantities of construction materials and machinery purchased in connection with hydro-electric and paper-making enterprises. Over 70 per cent. of total trade is usually with the United Kingdom, Canada and the United States. While these three countries are the chief sources of imports, the purchasers of Newfoundland's products are more diversified, including the United Kingdom, the United States, Spain, Portugal, Canada, Italy, Brazil, British West Indies, Netherlands, Greece and Germany.

TOTAL TRADE OF NEWFOUNDLAND, IMPORTS AND EXPORTS

	Total Trade			Percentage of Total Trade			
	Imports	Exports	Total	United Kingdom	Canada	United States	Other countries
	(in thousands)			(per cent.)			
1890	$ 6,369	$ 6,100	$12,469	29.6	24.5	13.6	32.3
1895-6	5,987	6,638	12,625	28.5	22.8	15.5	33.2
1900-01	7,477	8,360	15,837	26.3	20.2	18.8	34.7
1905-06	10,414	12,086	22,501	19.2	23.5	21.8	35.5
1910-11	13,384	11,976	25,360	21.4	25.1	24.4	29.1
1915-16	16,427	18,869	35,297	20.8	22.4	27.3	30.0
1920-21	28,910	22,441	51,351	18.5	32.8	22.2	26.5
1921-22	18,210	19,478	37,688	18.3	27.4	21.3	33.0
1922-23	19,322	20,957	40,279	25.1	24.6	22.0	28.3
1923-24	27,677	21,072	48,749	28.4	28.0	21.5	22.1
1924-25	36,405	23,500	59,995	30.8	25.7	21.2	22.3
1925-26	27,552	27,563	55,115	22.2	25.1	16.3	36.4

The development of the colony has only just begun. While formerly prosperity depended upon the fisheries, a period of more diversified industry is now in progress. In addition to its own resources, there will be added those of an area in Labrador three times greater than its own. The pulp and paper industry has entered upon a program of expansion which is likely to continue for some time to come. Progress is also being made in mining projects. In the past twenty-five years much has been accomplished in the construction of highways. Railroads have been built, thereby facilitating the transportation of the products of the interior to the coast. The new industries will bring about greater purchasing power of the colony and a higher standard of living should result.

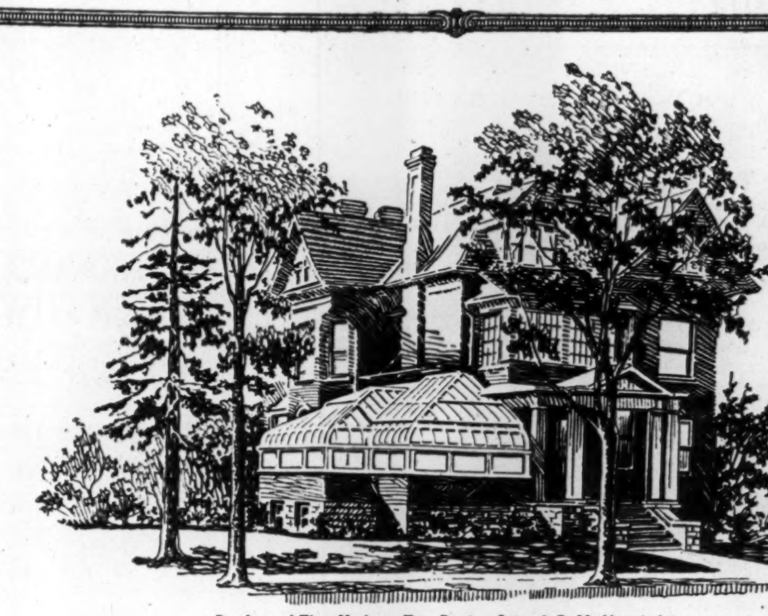
France Raises Customs Duties to Aid Germany

French Parliament, before closing the session, voted a law the effect of which is to allow the government to increase the import duties on foreign goods during the parliamentary holidays (from the end of July to the beginning of October). Any such increases will be ratified by parliament in October and the new import rates will be applicable as soon as decided upon by the government.

The idea apparently is to increase the existing minimum tariff rates in order that France may be able to grant Germany the benefit of minimum rates (after these have been increased, of course).

Thus, Germany will no longer be able to claim that France is not treating her well commercially since she will have the benefit of the revised French minimum tariff, and on the other hand French manufacturers will hardly be able to complain of foreign competition, especially from Germany, since the new tariff will afford them considerable protection in most lines.

From the point of view of the Canadian exporter this method is highly unsatisfactory, as the import duties are already extremely high and more than sufficient to protect French manufacturers. The following will probably be most affected: Hosiery, mechanical goods, toys, cutlery, chemical products, optical goods, electric apparatus, and machinery. Conversely, duties on agricultural machinery may be reduced.



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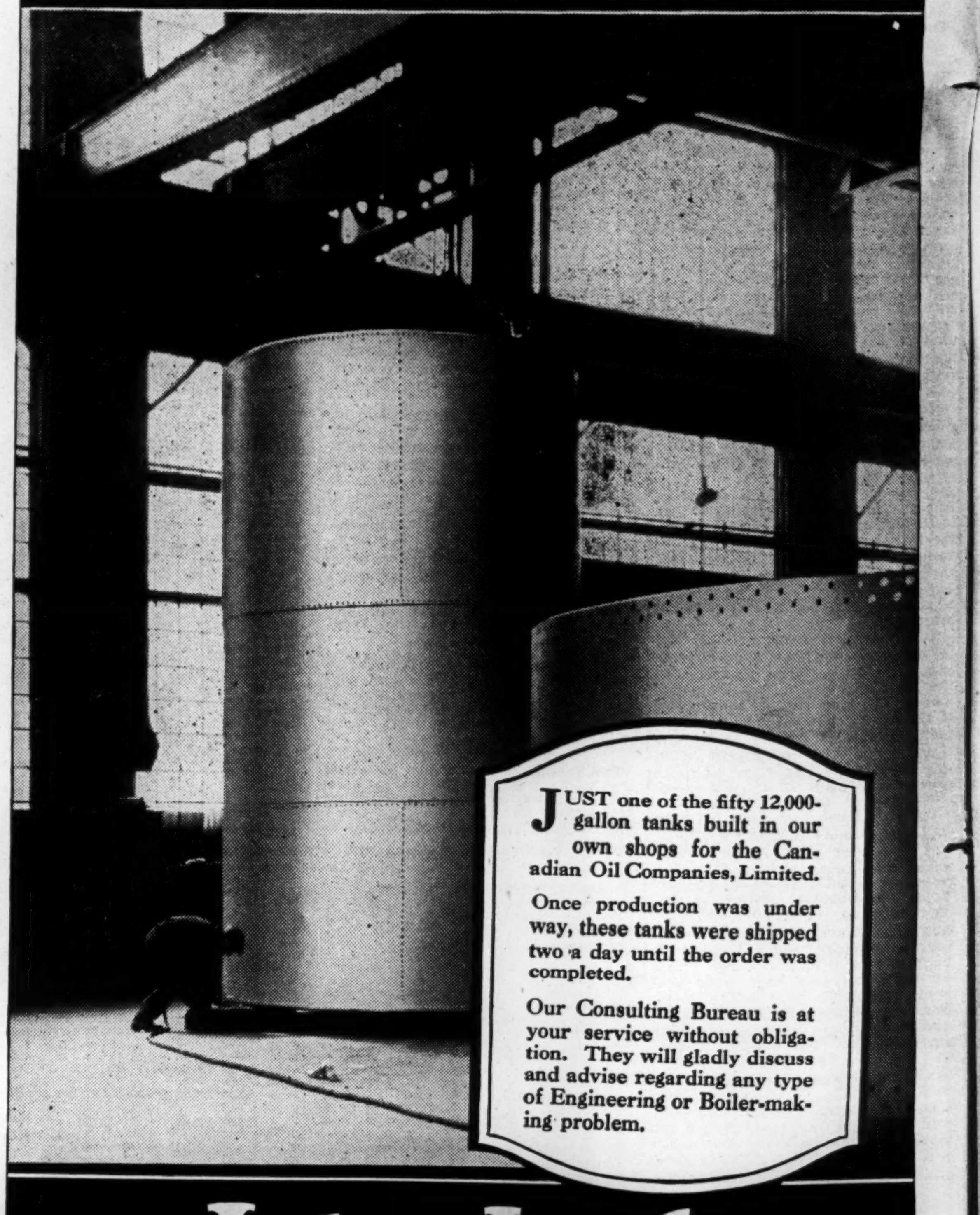

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C. P. R. STOCK ISSUE FIRST IN TWELVE YEARS

Company Still is Undercapitalized; Gross Revenues Grow

For the first time since 1914, the Canadian Pacific Railway is making a further issue of common stock. The announcement, which was published a few days ago, is in conformity with the resolution passed at the last annual meeting, when the shareholders empowered the directors at their discretion to issue the remainder of the authorized stock.

It is proposed now to issue stock to the par value of $32,500,000. The amount outstanding since 1914 has been $260,000,000 and the total authorized is $335,000,000, so that there still will be in the treasury, $42,500,000 of unissued common stock.

Issuance of additional common stock also increases the amount of authorized preferred, which automatically is half the par value of the outstanding common. However, this is merely of academic interest at the moment, as the total of preferred outstanding will be only about one-third of the issued common stock.

Is Undercapitalized

Shareholders of record are given the privilege of subscribing to the new common stock at $150 the share, which is approximately $35 under the market price of C. P. R. at the moment, and $50 over the par value of the stock. Shareholders have the right to subscribe for one share of the new stock for every eight shares already owned.

The terms of subscription are: $50 per share on or before Sept. 29, $50 on Dec. 7, and $50 on Feb. 15, next. From the due dates to March 31, 1928, 6 per cent. interest will be paid on the amounts paid in. The new shares will rank with the old for dividends from April 2, 1928.

Commentators on railroad affairs in the United States frequently have pointed out that Canadian Pacific is undercapitalized, having, perhaps, $250,000,000 of cash invested, against which there are no capital charges. The company still will be largely undercapitalized with the issuance of the new stock. This large investment on which the company does not have to pay interest or dividends enables the company to maintain a 10 per cent. dividend rate on the common stock in the face of lower freight rates than generally obtain in the United States.

Revenues Grow

Since 1889, when the capitalization of the company consisted of $65,000,000 of common stock, on which 5 per cent. was paid, and some $12,000,000 of consolidated debenture stock, there have been thirteen issues of new common stock. The issue of common remained at $65,000,000 from 1890 until 1902, but in the succeeding twelve years, when there were rapid additions to trackage, there were issues almost annually, the last one coming in 1914, when $60,000,000 was issued.

Proceeds from the new stock will be used to finance past and future capital expenditures. Gross revenues of the company continue to rise. There has been an increase of more than 4 per cent. in the first half of this year, as compared with 1926, the figures being $88,842,562 and $85,227,785.

Canadian Marconi Co. Remains British

Statements have been published in Canadian papers to the effect that the Canadian Marconi Company is to be sold to a syndicate controlled by the American Radio Corporation. This statement, the London Times now says, is entirely incorrect. It is true that negotiations have been in progress for some time for the sale of the shares of the Canadian Marconi Company, held by the British Marconi Company, to a group headed by Lazard Brothers and Company, in which the British Marconi Company and the American Radio Corporation are also participants. But the contract for the purchase of these shares, if the negotiations go through, will, with the full approval of all parties, contain measures designed to ensure that control shall always remain in British hands.

Making Your Will

Last Article in a Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Fifteenth Article—SUMMARY.

By RALPH C. GEDDES.

In concluding this series, it will perhaps serve a useful purpose to make a swift survey of the chief points that have been covered in it. If the treatment of them has been inadequate, that is partly the fault of the writer, and partly owing to the need for brevity. However, fuller information on any point may be obtained either by consulting lawyers or trust company officials, or from those men who are selling life insurance and who are making it their business to be informed on these topics.

Destination of Your Substance

In his treatise on Ancient Law, Sir Henry Main says, 'All men at all times will doubtless prefer chalking out the destination of their substance to having that office performed for them by law." If he had been writing about human nature, he might have dwelt on the dilatory habit of getting that reference expressed in writing which results in so many persons dying intestate or making a will when they are practically at their last gasp.

To die without a will very often occasions an unfair division of the estate among those whom you leave behind. If you are married, your children may share in your estate to the detriment of the provision necessary for your widow; and, if they are minors, will be entitled to be paid their shares when they come of age, even though they may be altogether unfitted to have charge of any large sum of money. If you are not married, some of your next-of-kin may share who neither need nor deserve it.

Finding Best Distribution

A great deal of intestacy is caused by the difficulty of deciding on the best distribution. This is often a very real difficulty; but what would be an unequal distribution in the main should not be defeated for the sake of a few very minor details. These can be attended to later if opportunity is vouchsafed for doing so. A good plan is to put all your ideas down in writing. Take the approximate present net size of your estate and deduct each bequest from it—so much outright or so much per year—and, if there is any balance left, each gift can be increased in proportion.

Every man should realize that, in consequence of his death, his estate will suffer some deduction in size, and certain expenses will have to be met in cash within a comparatively short time after his death. To make it possible to pay these amounts without affecting the income of the chief beneficiaries, or without requiring any of the assets to be sacrificed, a proportion of each estate should be held in liquid assets or be comprised of life insurance. The executor can thus realize on the assets of the estate to the best advantage or retain indefinitely certain non-liquid valuable assets.

One of the largest single items to be deducted will be the succession duties, so that it is as well for any man to have at least a rough idea of these when he is making his will. There is also the very interesting point of the amount in duties that may be saved before the final distribution of an estate takes place by putting the assets in trust rather than leaving them outright. This is particularly worth the attention of a man with a wife and children.

Other Benefits of Trusts

Apart from the saving to be made in sucession duties, to create trusts in a will is a very effective means of giving the benefit of a gift without allowing the beneficiary to spend the gift itself. If a power to encroach upon the capital is given, so that the income can be supplemented when necessary, the gift can be made to serve more than one purpose and more than one individual, for the capital is always conserved. This is also the only method of keeping control of the capital if the testator wishes to make further provision for his children in the event of the remarriage of his wife, or any of the beneficiaries doing any thing that would disentitle them to further benefit.

There is not only the necessity to make a will, but a duty on the testator to make a fair and satisfactory one. His choice of an executor and trustee to carry out his wishes should be just as carefully made as any other disposition of his estate. His executors must not only have integrity, but ability, permanence and experience as well, and also be fully responsible financially for all their acts. It is possible to get individuals who combine these qualities, but very rarely in the same degree as they can be obtained in a trust company.

The duties of the executor depend on the nature of the estate and the terms of the will. They are always sufficently onerous, and frequently they demand a great deal of time and attention and entail much worry and inconvenience. Executors and trustees are entitled to be paid for their services, and no one should expect to have this work done for his estate without payment, though a good many persons do appoint their friends or relatives apparently with this idea in mind. The fee allowed is set by the surrogate judge and is always reasonable and never unfair to the beneficiaries. It will vary according to the work and responsibility which the executor has had in the administration, and there is no distinction made between trust companies and individuals in the amount of the fee allowed.

Can Create Living Trust

A man does not need to wait until he dies to place part, at least, of his assets in trust. He can make a gift of income to some dependent and be sure that the gift will continue, no matter what misfortunes overtake the rest of his estate. Or he can make such a trust for his own benefit, so that he always will have this as a sheet anchor to windward. The final distribution of this fund can be in any terms that he may wish in the same manner as in a trust created by will. This is a "living trust," and, if it is made irrevocable, it is free from the claims of future creditors.

What is known as the life insurance trust is a form of living trust designed to deal with the proceeds of life insurance in the same way. That is, to take policies that are at present payable in lump sums, and to place the proceeds, when realized, into the hands of a trustee who will pay them out as required, having recourse first to the income before resorting to the principal.

Investing in Trustee Securities

Finally, we dealt with "trustee securities" with the purpose of showing the very high standard maintained for the investment of trust monies, but that such a standard does not necessarily mean the lowest possible income, since the right to invest in mortgages gives the opportunity in the hands of the right sort of trustee to get a very satisfactory return on the funds entrusted. Any testator should give his trustee power to hold investments made during his lifetime; and he can, if he wishes, give a power to invest outside the class of trustee securities in case sufficient first mortgages are not available.

No one should put off making his will, or revising it, because his estate is not in the shape in which he expects to leave it. When his time comes he must leave it in whatever shape it may happen to be, but an efficient executor, given the proper directions and powers, will carry on both with regard to liquidating his assets and distributing them in practically the same fashion as the testator would have done if he had lived.

Will Fix New Price for Montreal Water & Power

MONTREAL.—Action of Montreal city council deciding to expropriate the Montreal Water and Power Company brings close to the last line the final chapter in recent troubled history of that company. Last fall the shareholders of the company received an offer for their stock, supposedly from New York; most of them accepted it. The company was then sold to the city of Montreal at a large advance—about $4,500,000—and it became known that Senator Lorne C. Webster and his associates were the parties behind the deal. Public protests arose and the business men of Montreal were able to kill the deal that had been arranged. The company got its property back. Now the city has decided to expropriate it anyway and the price will be fixed by arbitration instead of by private treaty between two or three individuals sitting behind closed doors.

Paragon Power Plant Work Now Goes Ahead

Construction work is progressing rapidly on the Paugan, Quebec, hydro-electric development of Gatineau Power Company.

The following quantities of excavation, concrete and reinforcing have been completed: Earth excavation, 17,341 cubic yards; rock excavation 242,955 cubic yards; concrete—main dam, spillway and by-pass, 28,242 cubic yards; concrete—power house substructure, 5,162 cubic yards; reinforcing steel—main dam, spillway and by-pass, 353 tons; reinforcing steel—power house and penstocks, 72 tons.

The Paugan development is on the Gatineau River, 30 miles north of the City of Ottawa, and 26 miles above the Chelsea hydro-electric development of the company, and 27 miles above the Farmers' development.

Oil wells in Turner Valley are producing various grades of crude oil and naphthas at the rate of about 41,840 barrels per month.

DO YOU VALUE RELIABLE INFORMATION?

Over $9,500,000 in cash was paid as dividends by the gold and silver mines of Ontario last year.

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Return of the Chartered Banks of the Dominion of Canada June 30th, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of the Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Saving Deposits in Canada	Deposits elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	45,112,246	23,382,713	....	6,443,418	150,520,110	380,871,213	91,025,971	1,875,864	1,205,146	6,601,489	406,282
Nova Scotia	15,087,543	2,387,039	....	932,109	36,553,304	122,657,714	33,771,407	2,183,693	88,408	1,214,677	267,802
Toronto	8,184,903	435,078	....	306,446	32,571,973	58,272,905	....	1,841,907	259,077	2,594,674	2,309,763
Provinciale	4,071,478	117,648	1,450,000	315,864	5,804,861	32,248,545	....	....	....	162,050	....
Commerce	28,333,870	5,420,213	....	5,584,733	120,850,993	227,741,989	43,380 802	728,120	1,115,374	11,609,669	379,919
Royal	38,681,325	3,475,667	....	11,305,684	140,727,857	284,635,685	178,691,389	1,003,009	979,923	20,790,837	6,166,997
Dominion	8,020,664	1,090,973	2,000,000	460,425	32,638,336	64,806,035	2,690,737	918,094	120,100	1,381,137	232,547
Standard	6,520,085	323,988	3,000,000	450,221	21,011,488	50,527,804	....	1,061,614	197,010	2,950,209	....
Nationale	12,375,604	661,468	9,500,000	3,287,306	20,900,146	88,688,303	1,601,524	12,510	66,556	704,127	....
Imperial	10,639,982	1,786,751	....	8,001,333	31,901,286	66,969,807	....	1,217,228	296,736	443,028	....
Weyburn Security	583,862	71,248	....	18,789	1,944,391	2,905,581	....	....	....	20,620	....
Total	177,611,562	39,152,786	15,950,000	37,106,328	595,424,745	1,380,325,581	351,161,830	10,842,039	4,328,330	48,472,517	9,763,310

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	13,117,935	1,350,568	24,021	29,916,700	29,916,700	781,770,381	31,175,000	12	1,926,473	32,212,240	46,623,986	45,440,746
Nova Scotia	6,295,787	111,652	402,400	19,500,000	10,000,000	251,453,540	15,000,000	16	1,859,665	9,184,357	8,471,636	15,422,406
Toronto	1,966,784	99,892	2,819	7,000,000	5,000,000	120,846,224	10,000,000	12	2,327,975	426,996	5,214,586	8,184,903
Provinciale	18,530	25,287	8,997	1,500,000	4,000,000	49,723,263	5,000,000	9	....	173,743	444,965	4,246,588
Commerce	13,714,957	....	16,061	20,000,000	20,000,000	498,876,705	25,000,000	12	5,805,475	17,717,000	17,577,000	28,346,609
Royal	34,926,016	52,768	56,607	29,627,850	29,627,850	780,749,471	40,000,000	12	2,674,381	10,962,170	13,084,919	38,681,325
Dominion	2,940,596	716,833	181,472	7,000,000	6,000,000	131,197,955	10,000,000	12	788,145	2,140,000	4,373,000	8,050,352
Standard	376,854	163,478	1,586	2,900,000	4,823,400	94,307,741	5,000,000	12	229,747	458,617	2,528,600	6,520,085
Nationale	813,984	....	6,195	5,500,000	5,500,000	149,617,727	10,000,000	10	545,200	829,588	1,515,504	12,431,739
Imperial	839,289	....	891	7,500,000	7,000,000	136,596,335	10,000,000	12	197,000	959,745	5,021,928	10,769,018
Weyburn Security	7,500	....	....	225,000	524,560	6,301,554	1,000,000	5	114,354	24,436	83,225	583,862
Total	75,018,232	2,520,478	701,049	130,669,550	122,392,510	3,001,440,896	162,175,000	......	16,468,415	75,088,892	104,889,349	178,677,633

ASSETS

NAME OF BANK	Gold and Subsidiary Coin	Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada
	$	$	$	$	$	$	$	$	$	$	$
Montreal*	31,534,258	42,618,496	3,320,213	877,558	29,020,723	97,240	18,592,943	90,055,206	31,682,965	4,411,427	24,057,398
Nova Scotia	9,229,265	7,887,227	983,526	1,593,285	10,713,094	163	3,606,361	27,305,845	11,423,337	13,318,049	26,248,333
Toronto	427,682	5,242,832	487,125	101,361	7,592,405	....	2,292,442	16,611,881	2,991,140	3,980,050	10,952,325
Provinciale	166,264	373,052	556,530	59,733	2,655,675	2,406,835	194,938	6,709,467	2,115,879	4,696,458	7,784,787
Commerce	10,804,840	12,457,634	2,107,920	1,162,382	24,845,384	2,176	15,402,449	51,822,174	24,424,814	10,393,775	26,863,712
Royal°	14,334,824	15,955,354	3,004,296	17,558,662	31,838,038	11,698	26,060,179	73,954,215	29,558,944	19,733,068	40,502,930
Dominion	2,136,089	4,881,113	1,086,615	145,947	9,632,120	1,130	1,947,218	15,098,738	4,724,317	2,459,806	12,438,971
Standard	459,534	3,271,801	511,417	70,390	6,320,321	....	1,016,843	9,676,546	3,053,171	3,521,480	13,591,169
Nationale†	881,888	2,143,092	1,193,565	200,094	5,724,791	298,050	1,476,603	24,302,850	17,510,994	1,755,360	10,121,762
Imperial	935,392	5,851,418	783,582	188,147	7,340,542	562,527	1,592,330	16,213,526	8,720,711	98,651	14,805,006
Weyburn Security	23,789	37,207	29,480	2,771	36,977	673,927	52,377	1,058,052	128,996	315,512	....
Total	70,933,825	100,719,226	14,064,269	21,960,330	155,720,070	4,053,746	72,234,783	332,808,500	136,335,268	64,683,636	187,366,393

NAME OF BANK	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	135,777,653	248,288,089	41,573,970	29,772,273	2,084,148	763,350	1,183,686	11,800,000	13,117,935	1,463,197	19,000,000	3,126,726	549,351	784,768,816
Nova Scotia	17,889,185	78,169,544	17,719,110	6,551,307	339,957	38,347	68,112	7,033,606	6,295,787	495,178	6,000,000	....	152,198	253,060,828
Toronto	....	59,352,001	....	2,494,997	131,383	....	195,222	3,303,160	1,966,784	264,478	3,555,866	....	....	121,943,143
Provinciale	....	17,230,663	....	1,497,239	136,771	524,897	348,442	1,884,128	18,530	163,157	400,000	....	194,961	50,118,516
Commerce	31,304,151	195,436,089	30,153,126	19,537,610	2,571,089	2,186,592	1,006,731	11,813,476	13,714,957	1,030,000	11,000,000	1,676,613	388,465	502,106,168
Royal°	62,183,095	206,374,761	163,375,919	9,327,722	2,533,934	1,903,454	1,431,619	14,680,402	34,926,016	1,245,000	11,000,000	2,427,201	497,948	784,419,271
Dominion	3,230,345	59,795,339	1,774,072	729,566	221,955	43,592	37,258	5,719,322	2,940,596	319,300	2,800,000	....	210,426	132,373,845
Standard	....	44,715,784	....	2,013,152	450,643	312,956	259,733	3,889,267	376,854	250,000	1,700,000	....	88,267	95,549,335
Nationale†	....	61,283,748	29,433	7,520,039	189,847	1,211,451	935,350	5,515,966	813,984	281,035	7,000,000	....	301,393	150,691,306
Imperial	8,200,000	53,796,671	....	6,929,635	219,212	587,523	681,997	5,152,179	839,289	339,282	4,764,466	....	324,461	138,926,557
Weyburn Security	200,000	2,743,828	100,000	27,373	34,257	174,972	150,438	258,511	7,500	27,532	200,000	....	73,616	6,357,123
Total	258,784,429	1,627,186,517	254,725,630	84,400,893	8,913,196	7,747,134	6,298,588	71,050,017	75,018,232	5,878,159	67,420,332	7,230,540	2,781,086	3,020,314,908

**Of this deposit, $20,670,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement. Footnote to Bank of Montreal return.

°The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

†The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

West Girds Loins for Gigantic Task of Handling Crop

By G. C. PORTER,
Special to The Financial Post.

WINNIPEG.—Millions from every part of Canada are being concentrated just now on the prairies. Every bank and the big trust companies are contributing to the golden stream. The big financial movement concerns the crop. It is an annual migration to the prairies of these millions. Before Christmas half of the cash necessary to financing the harvest will be back in the east or en route to other scenes of activities.

And the railroads—they, too, are getting their equipment from the east to the prairies. From the number of cars and engines now concentrating between Winnipeg and the mountains it is obvious the transportation companies expect a sizeable yield—more than half a billion of all small grains in the exportable surplus to be hauled to seaboard.

Must Keep Cars Moving

Like the dollars the banking system provides, the cars and engines must perform their service over and over again during the last three months of the year. There are eighty thousand box cars and twelve thousand locomotives usually mobilized at strategic points as the harvest begins. A box car will average three trips a month with grain from the prairies to the lake head, the same to Duluth and a little less to the Pacific coast. The east will to-day show a very reduced number of "empties" on side tracks, but on the prairies there are long lines of this equipment ready to begin rolling.

It is the experience of the grain industry as well as the banking business that the Canadian crop is financed more economically than a similar business anywhere. These big organizations, like a line grain elevator company with forty or fifty houses at rural points or the Consolidated Pool—they may have a credit of one to ten million dollars, but in actual operation they pay only interest of five to six per cent. on the daily balance, on that part of the credit actually drawn out.

Receipts Are Good as Cash

Grain buyers for these companies at rural points issue their "tickets" or elevator receipts showing the quantity of grain purchased or received. These evidences of grain in storage pass as cash at the nearest branch bank. Not until such cash grain tickets go into the banks and are charged to the account of the purchasing or issuing companies does the interest apply on its use. But, even that would make a very burdensome condition for even the strong companies if the load was not widely and rapidly distributed.

Every part of the wheat-eating world begins to carry its share of this weight almost as soon as the wheat begins to move. A country elevator, on the average, will hold 20,000 bushels and will be filled and emptied from twenty-five to forty times during the harvest. Commitments are being filled daily for all parts of the world that helps even up the financial load. The moment a car bill of lading is issued, it is attached to a draft on the firm to which it is moving and the amount is then credited to the selling agency and becomes a charge against the purchaser in whatever part of the world he may reside. For world export purposes the drafts are not acceptible until the grain is loaded at tide water, but for ordinary banking purposes the draft is cash when attached to the loaded car, specifying weight, grade and destination.

Banks Put Up Pool Funds

That was one stock argument against the formation of the Consolidated Pool — that it would require such a huge sum for financing the quantity under one management that difficulty would be experienced in securing funds. In actual practice it did not prove a financial problem at all because of the system of "passing the money buck." In fact, when the Pool was being organized and the finances were under discussion several big firms in New York City attempted to get a part of the lucrative business. However, the money was secured in ample quantity from Canadian banks. And it proved a very satisfactory account.

Canada wheat exports will to-day average three hundred million bushels. On paper that would represent some four hundred million dollars. If the Pool handled half, it might, again on paper, mean the borrowing of two hundred million dollars. In actual practice it meant nothing of the kind. It meant a credit arrangement of less than ten million, of which interest was payable on but a fraction from day to day. That is the way grain is handled for the actual grain is the security all the way through for the money advanced and it is the best security known to the lender of money. The grain industry is one of the most profitable accounts bankers handle and they get their bit out of it from the time the seed grain is purchased until the family loaf is delivered to the home for millers, and terminal elevators as well as bakers are large borrowers.

But the smaller country banks that ordinarily will not have five thousand dollars available at other times, must, during the harvest, have funds up close to the fifty thousand mark for this purpose. However, the cash comes back in most instances the day it is withdrawn from the bank, and, in the vast majority of cases, the actual cash does not leave the branch bank. It is like a check business practically all the way through, but the big centres like Winnipeg, Calgary, Regina and Edmonton must be ready to ship currency in quantities on very short notice. The chief cost of this transfer is the insurance on the funds in transit.

Had To Fight Bandits

Some years ago when bootlegging was rampant on the border and the desperate element was attracting to the "business" gun-men and cutthroats, the cost of transporting money along the border advanced to prohibitive rates. In fact, the branch banks within a few miles of the border were not permitted to keep in their vaults but a nominal sum over night, the bulk of the funds being in the Winnipeg reserve. One summer showed more than a score of border banks on the Canadian side of the line robbed by the bootleggers and their gangs. But to-day it is as cheap to ship currency on the prairies as in any other part of Canada. There has not been a prairie bank robbed by violence for three years, but the danger is always imminent at this season when it is no secret that cash has accumulated in all of them for the grain movement.

And the surplus labor has now disappeared on the prairies. The railroads are commandeering every available train crew. Not only must they have large additional forces to carry the extra grain trains to the lake head and the Pacific ports, but the return is not a "water haul." The rush of package freight from the lakes to the west is always timed to offset the grain movement. If it were not for this return haul, instead of grain paying a freight toll of 16 cents from the centre of the prairies to the lake head it would have to be nearer 25 cents. The return haul helps to bear the burden. So just at this season every form of business on the prairies is "looking up" and cash is plentiful in all lines of trade.

HARVIE WILL GIVE SHAREHOLDERS BONUS

Get Stock in Newly Organized Exploration Company of Canada

From Our Own Correspondent.

MONTREAL. — Harvie mining shareholders are to receive Exploration Company of Canada, Limited, stock as a bonus. Distribution will probably be made to shareholders of record of August 20th.

Official announcement of the completed organization of the Exploration Company of Canada, Limited, is expected next week. Formation of this company is being watched with great interest in mining circles. It includes a most important group of mining properties and brings into one organization a number of the outstanding personalities in the Canadian mining industry. The official statement covering its activity will include a summary of its present activities in the Sudbury-Heather Lake, Cobalt, Gaspe and Nova Scotia fields.

The two outstanding discoveries of the season in Northern Ontario were made by parties associated with this company. Snareholders of the Harvie Mining Exploration Company will receive as a bonus two shares of the Exploration Company of Canada, Limited, for each share of Harvie. It is understood that distribution of this stock will be made on the basis of shareholders of record August 20.

Harvie mining has increased its diamond drilling. Recent important discoveries at depth have resulted in additional contracts being let.

From Rouyn comes word that developments on Harvie Ringrose vein are rapidly reaching a most interesting point. With the shaft down one hundred feet and the cross cut showing the vein to have expanded to a width of eleven feet, the first diamond drill was started to cut the vein at a depth of two hundred feet.

A second hole to cut the vein at 400 feet will follow immediately. Important disclosures on this vein have now resulted in a further decision to employ another drill to put down a series of short holes at intervals of 200 feet. The Harvie Ringrose vein lies in a shear zone over one hundred feet wide and has been traced on the surface for more than 2,000 feet.

Initial gold value at the shaft was slightly over one dollar. At 15 feet this had increased to $2.50, and at 45 feet was ranging between $6.50 and $8.00. At 100 feet level gold value had increased to better than $12 over the entire width of the vein of eleven feet:

SILVERWOODS ORGANIZE TWO NEW CONCERNS

(Continued from page 1)

Have had a very satisfactory sale of ice cream, and milk and butter business are both showing up satisfactorily.

Silverwood's Cargill Creamery Ltd.—This is a new company formed this spring. The plant has just been rounded into shape, and starting to make butter there this week.

Silverwood's Limited, London.—Reference was made in last letter to the comparison of 1925 and 1926 as at the end of April. We are ahead for the period to the end of June $1,406.

International Paper's Big Deal in Newfoundland, Briefly Told

The company promises:

To enlarge the Cornerbrook mill from 400 tons a day to 600 tons.

To build a 200-ton mill at Gander Valley.

To spend $15,000,000 to $20,000,000 on these and other improvements and to employ 2,000 men yearly thereafter.

To pay $75,000 a year in taxes for four years and $150,000 annually thereafter.

To relieve the province of any financial burden in connection with its guarantee of the bonds of Newfoundland Power and Paper Company.

The government makes these concessions:

To effect certain reductions in duties on machinery imported by the company.

To permit the company to export pulpwood from the northern areas on payment of a royalty of $1 a cord. The amount exported to be limited.

To build a railway to Gander Valley.

To permit the company to put a further $15,000,000 mortgage ahead of the debentures guaranteed by Newfoundland.

INTERNATIONAL WILL SPEND $20,000,000 IN NEWFOUNDLAND

(Continued from page 1)

on this project, but have never got it going. The International Paper agrees to build a mill at the site—a 2,000 ton a day mill, to be finished by 1933. If not completed then, the company may, by paying $50,000 a year forfeit, delay the work two years. The government will build a railway to the mill.

Concessions by Government

In return for these undertakings of the International Paper Co., the government makes certain concessions. When the respective new mills have been completed, the company will be allowed to export pulpwood from Newfoundland on payment of $1 a cord royalty. The pulpwood must be cut in the northern areas, where the lack of power precludes the establishment of paper mills and the limit of such export will be one-half cord of wood for each ton of paper produced from the new machines installed; that is, roughly, 30,000 cords a year for the new Cornerbrook additions and 30,000 cords a year for the Gander mill. If the mills fall below 80 per cent. of production capacity, export rights are to be suspended. The $1 a cord royalty extends for 20 years, after which the price may be revised upward in proportion as newsprint prices rise.

On the two properties the company gets certain duty concessions on machinery imported. It will be exempt from ordinary taxes, but will pay $75,000 a year income tax for four years and $150,000 a year after that until 1973.

What Government Aimed At

Apparently, the government has had a number of definite ends in view, in introducing the agreement:

First, to insure employment. This is also shown by an additional clause in the agreement, which provides that, if requested, the company must cut 30,000 cords of pulp wood yearly during the next four years, to be exported on terms similar to those for the exportations after that date.

Second, to put the mills in the hands of those who will operate them so successfully that the government will not be called upon to meet its guarantee.

Third, to provide for expansion in existing operations.

A New York despatch says:

International Paper Co. of Newfoundland, Ltd., new subsidiary of International Paper Co. of New York, will, upon ratification by Newfoundland legislature of agreements between the paper company and the government, acquire the Corner Brook plant of Newfoundland Power & Paper Co., and thereby increase International Paper's total newsprint capacity by 400 tons a day initially, and later by about 800 tons. Total newsprint production by International Paper outside the United States will then approximate 500,000 tons yearly, or slightly more than it produced in this country five years ago.

Initial investment of International Paper Co. in the new project will be $2,500,000. For this it will receive the entire common stock issue of International Paper Co. of Newfoundland. The Bank of England will own the $10,000,000 issue of 5 per cent. preferred, cumulative after five years.

Funded debt of the new company will probably include $5,000,000 40-year 5½ per cent. first mortgage bonds to be owned by the Bank of England, in place of a $5,000,000 collateral mortgage loan now owned by that institution on the property. Present issues of $10,000,000 4½ per cent. debentures, guaranteed by the British government and $10,000,000 5½ per cent. debentures, guaranteed by Newfoundland government, at present maturing about 20 years hence, are expected to be extended to 1973. Upon approval of the debenture holders, Bank of England collateral loan, of which $5,000,000 is outstanding of $10,000,000 authorized will be increased to 20,000,000 authorized. This will give new company $15,000,000 authorized, but unissued with which to make developments.

Properties of Newfoundland Power & Paper include valuable timber reserves, to which International Paper will make addition through purchases elsewhere in the Dominion of Newfoundland. It will soon own the bulk of the pulpwood on the island, with exception of that in possession of the Rothermere interests. New acquisition will give approximately 90,000 h.p. of developed hydro-electric power, as well as a substantial amount of undeveloped power. Company will have right to export one-half cord of pulpwood for each ton of paper produced on new machines. It is thus probable that within the next few years, a plant of 200 tons daily capacity will be erected on the Gander River.

Zinc Output 40,000,000 lbs. and Lead 30,000,000 Higher

Remarkable Increase in Output But Value Was Not Much Higher Because of Decline in Base Metal Prices

	1926	1925
Zinc, lbs.	149,938,105	109,268,511
(a) Value	$11,000,958	$ 8,328,446
Lead, lbs.	283,710,300	253,590,578
(b) Value	$23,133,737	$ 23,127,460

(a) St. Louis average price; 1925, 7.62c. lb.; 1926, 7.33c. lb.

(b) Montreal average price; 1925, 9.12c. lb.; 1926, 8.15c. lb.

The above figures evidence the remarkable increase that took place last year in Canada's production of lead and zinc. 40,000,000 lbs. more zinc and 30,000,000 lbs. more lead were produced in the 12 months than during the year previous. The increase in the value was not so great, $2,700,000 in zinc with $6,000 in lead. This was due to price decline and the drop in prices was undoubtedly a factor in the increased production so as to maintain dollar production.

Canada's zinc production is made up by adding the metallic zinc produced by the Consolidated Mining and Smelting Company, Ltd., of Tadanac, British Columbia, from ores of the famous Sullivan mine and other mines of the East and West Kootenay districts, to the recoverable zinc in ores exported, including those shipped from British Columbia and from the Tetrault silver-lead-zinc properties of Quebec. No other provinces produced zinc in 1926, but interesting and encouraging development work was carried on in the Sudbury district near Chelmsford, Ontario, by the Treadwell Yukon Mining Company.

Zinc production by provinces based on St. Louis and London prices follows:

	1925 Pounds	1925 Value	1926 Pounds	1926 Value
(a) Calculated at the average St. Louis price for the year.			(1)	
Quebec	9,936,000	$ 757,322	12,904,176	$ 946,779
Ontario	179,545	13,685	......	......
British Columbia	99,152,966	7,557,439	137,033,929	10,054,179
Total	109,268,511	8,693,403	149,938,105	11,110,413
(b) Calculated at the average London price for the year.			(2)	
Quebec	9,936,000	$ 790,508	12,904,176	$ 956,199
Ontario	179,545	14,285	......	......
British Columbia	99,152,966	7,888,610	137,033,929	10,154,214
Total	109,268,511	8,693,403	149,938,105	11,110,413

(1) 1925—7.622c. per pound. (2) 1925—7.956c. per pound.
(1) 1926—7.337c. per pound. (2) 1926—7.41c. per pound.

The greater part of Canada's lead production was from the Trail smelter which received a large proportion of its lead ores from the Sullivan mine at Kimberley, B. C., but which also purchased silver-lead ores from the Kootenay district. The remainder of Canada's production comprised pig lead produced at Galetta, Ontario, lead from lead ores and concentrates shipped from the Mayo district of the Yukon Territory and from the Tetrault mine in Quebec.

Province	1925 Pounds	1925 Value	1926 Pounds	1926 Value
(a) Calculated at the average Montreal price for the year.			(1)	
Quebec	2,051,100	$ 187,060	3,729,636	$ 304,114
Ontario	7,209,534	657,510	7,307,830	595,880
British Columbia	242,454,502	22,111,850	266,812,461	21,755,888
Yukon	1,875,442	171,040	5,860,373	477,855
Total	253,590,578	23,127,460	283,710,300	23,133,737
(b) Calculated at the average London price for the year except for Ontario.			(2)	
Quebec	2,051,100	$ 162,324	3,729,636	$ 251,788
Ontario	7,268,193	604,798	7,398,795	580,730
British Columbia	242,454,502	19,187,849	266,812,461	18,012,509
Yukon	1,875,442	148,422	5,860,373	395,634
Total	253,649,237	20,103,393	283,801,265	19,240,661

(1) 1925—9.12c. per pound. (2) 1925—7.914c. per pound.
(1) 1926—8.154c. per pound. (2) 1926—6.751c. per pound.

Add 100,000 Tons to Winter Bank at Besco Mines

From Our Own Correspondent.

SYDNEY. — Cape Breton's 8,000 miners and the communities dependent upon their earnings have learned with pleasure that the Dominion Coal Company plans to bank 600,000 tons of coal this winter, or about 100,000 tons more than last winter. The decision indicates that progress is being made with the gradual elimination of winter unemployment, which in years past has been a chief handicap of the business.

Another change will be the banking of slack only at New Aberdeen. All run of mine and screened coal is to be banked at Sydney, experience having demonstrated that it can be handled more economically by that arrangement. The shift means a large addition to the already enormous banking station at the steel plant.

Coal production, which fell off somewhat in July is picking up and company officials predict steady employment on practically full time for August, September and October.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
Aug. 4	9-64	7-64	1-8	5-32
Aug. 5	1-8	1-8	5-32	5-32
Aug. 6	1-8	1-8	9-64	5-32
Aug. 8	1-8	7-64	5-32	5-32
Aug. 9	1-8	7-64	5-32	5-32
Aug. 10	7-64	1-16	5-32	11-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 4	4.85½	3.91⅝	5.44
Aug. 5	4.85 7/16	3.91½	5.43¾
Aug. 6	4.85⅝	3.91½	5.43½
Aug. 8	4.85 11/16	3.91½	5.44
Aug. 9	4.85¾	3.91¾	5.44
Aug. 10	4.85 11/16	391½	5.43¾

FOREIGN EXCHANGE

Par		Aug. 3	Aug. 10
13.90	Italian	5.45	5.45
32.45	Brazilian	11.84	11.84
23.82	German	23.83	23.78
19.30	Belgian	13.92	13.92
84.85	Japan	47.50	47.45

Winnipeg is the "Overall City" of Canada. Government statistics show that Winnipeg's nine overall factories produce more than any one province in the rest of Canada.

Town of Cochrane Ontario

DEBENTURES FOR SALE

TENDERS will be received by the undersigned up until 8 p.m., Wednesday, August 24th, 1927, for the sale of debentures amounting to $50,000.00, the proceeds of which are required for the erection of a High School in Cochrane, Ont.

The debentures are dated September 1st, 1927, and have coupons attached bearing interest at the rate of 5% per annum, same being payable in twenty equal annual instalments of both principal and interest.

This issue is guaranteed by the Department of Education of the Province of Ontario, and legal opinion has already been furnished by our Solicitors, Long & Daly, of Toronto, Ont., and is ready for delivery Sept. 1st.

The lowest or any tender not necessarily accepted.

R. C. MORRISON,
Clerk and Treasurer.

Dated at Cochrane, Ont.,
August 9th, 1927.

Loblaw Groceterias Co., Limited

Notice is hereby given that quarterly dividends of 1¾ per cent., being at the rate of 7 per cent. per annum, on the prior preference shares of the Company, and 25c. per share on the common shares of the Company have been declared, payable on September 1st, 1927, to shareholders of record at the close of business on August 18th, 1927. The transfer books will be closed from August 19th, 1927, to August 31st, 1927, both days inclusive.

D. URQUHART,
Secretary

Toronto, August 2nd, 1927.

WANTED — Manager for Toronto by Canadian Life Assurance Company. One who can organize and produce business. Salary and commission. Good opportunity.
Box 84, The Financial Post, Toronto, Ont.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 10

Notice is hereby given that a Dividend of seventy-five cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending August 31st, 1927, payable September 1st, 1927, to Shareholders of record at the close of business on August 15th, 1927.

By order of the Board.

D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., July 21st, 1927.

The Canadian Bank of Commerce

Dividend No. 162

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1927, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1927. The transfer books will not be closed.

By order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th July, 1927.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 30th July, 1927.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th July, 1927.

Canadian Pacific Railway Co.

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last from railway revenues and Special Income;

Both dividends are payable 1st October next to Stockholders of record at three p.m. on 1st September next.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, 5th August, 1927.

A Beautiful Country Estate

IN THE HEART OF THE NIAGARA PENINSULA

Eighty acres planted with 4,000 beautiful fruit trees, many times prize-winners. Cornering Lake Ontario and Welland Canal, the heart of the Niagara Fruit Belt; four miles from St. Catharines; finest peach loam in Canada; house has ten rooms completely furnished, two bathrooms; entire farm electrically equipped; foreman's house and other buildings, with stock, implements, etc.; fishing and bathing at the door.

Reached by steamer, trolley and railway, with good motor roads; as handy to the city as though you lived there; could be turned into a wonderful resort if owner so desired at any time.

This is not a cheap country house, but is an ideal estate for the family wishing the delights of a country house de luxe; close to the larger centres. Terms could be arranged if a good cash payment made in the first instance. No trading

Apply Owner, 620 Confederation Life Bldg., Toronto 2.

Imperial Oil, Limited

DIVIDEND

NOTICE is hereby given that a dividend of twenty-five cents (25c.) per share and a special disbursement of twelve and one-half cents (12½c.) per share have been declared by the Directors of Imperial Oil, Limited. The same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number ELEVEN (11) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario.

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario.

such presentation and delivery to be made on or after the 1st day of September, 1927.

Payment to Shareholders of record at the close of business on the 15th day of August, 1927, (and whose shares are represented by Share Certificates) will be made on or after the 1st day of September, 1927.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of August, 1927, to the close of business on the 31st day of August, 1927.

By order of the Board.

T. C. McCOBB,
Secretary.

56 Church Street,
Toronto, Ontario.

Canadian Pacific Railway Company

Issue of New Ordinary Capital Stock

Notice is hereby given that pursuant to Resolution passed at the Special General Meeting of Shareholders on 4th May, 1927, the Board of Directors have resolved to issue and offer to the Ordinary Shareholders of record at 3 p.m. on Friday, the 19th day of August, 1927, $32,500,000 of Ordinary Capital Stock, or 325,000 shares of $100 each, at the price of $150 per share, being at a premium of $50 over and above the par value thereof, on the basis of one share in eight of their respective holdings.

The right to subscribe will expire at 3 p.m. on Thursday, 29th September, 1927.

Payments will be received at the Bank of Montreal, London, New York or Montreal, as follows:—

$50 per share on subscription on or before 29th September, 1927.

$50 per share on 7th December, 1927.

$50 per share on 15th February, 1928.

Interest at the rate of six per cent. per annum will be paid in April, 1928, from the due date of each instalment to 31st March, 1928, on instalments which have been paid on or before due dates.

Shareholders may, as a matter of convenience to themselves, pay any or all of the instalments before the due dates, but no interest will be allowed on such payments previous to due dates.

All shares of the issue on which instalments have been paid in full on the due dates will rank with the existing stock for dividends payable after April 2nd, 1928.

A circular containing the terms of subscription and payment and enclosing warrants of subscription will be mailed to the Shareholders on or about the 31st day of August, 1927.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Dated at Montreal, 5th August, 1927.

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Canadian Mining News
THE FINANCIAL POST
The Canadian Newspaper for Business Men and Investors

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Hollinger Shareholders Are Ill-Informed as to Progress of Operation

By Their Silence Directors Play Into Hands of the Rumor-mongers

DECLINE $5 PER SHARE

Loss of $25,000,000 to Market Valuation Has Caused Stir — Is Hardly Warranted

What's the matter with Hollinger, seems to be the favorite unanswered question of the day.

Along with the question comes considerable criticism of the heads of the company for not giving the shareholders information in regard the progress of the operation.

Both the question and the criticism seem justified. Though the answer to the former is that it looks just what it is, the world's second big gold mine, sound and well managed.

When a stock breaks back $25,000,000 in market value in a short time there is some explanation coming, even though the directors say, as they undoubtedly have said, they know nothing about it. They had nothing to do with it and they are not concerned about it.

But they are.

We don't know what Pres. N. A. Timmins says, but presume his views and those of Gen. Mgr. A. H. Brigham coincide. Mr. Brigham says he is concerned with maintaining the dividend for his shareholders.

Little in Annual Report

The Hollinger situation is one of many sides. It could be disposed of by one short concise statement from either Mr. Timmins or Mr. Brigham. Shareholders have not had any statement of any kind from Mr. Timmins of Mr. Brigham now in about 17 months. They did get the annual report in March. From a tabular point of view, it was better in some respects than previous reports and in others not as good. From the standpoint of official statements in regard the progress of the enterprise, it fell down sadly.

The full text of Pres. Timmins report was as follows:

"Your directors are pleased to submit the 16th annual report of your company covering operations for the year 1926, with the statement of assets and liabilities and profit and loss account, which have been duly certified by the auditors.

"It will be noted that the investment in the power development at Island Falls heretofore appearing in the balance sheet as a capital asset has been transferred and now appears under current assets as the bonds and stock which your company were to receive under the agreement with the Abitibi Power and Paper Co. have been delivered to and are now held by your company. The values assigned to these securities represent the actual cost of the power development.

"Conditions in the mine and mill continue to be satisfactory. The labor situation is also satisfactory. An ample supply of labor has been available throughout the year and keeps well ahead of our requirements.

"It again affords your directors pleasure to record their thanks to the general manager, the assistant general manager and the entire staff for the manner in which they have performed their respective duties during the year.

Mr. Brigham, presented the operating figures, reserves, etc., and then commented concisely:

"In conclusion, I desire to refer commendably to the work of the staff, who have functioned, as usual, in a highly efficient and harmonious manner, and to whom credit for the year's work is due.

"I desire also to record my apprecia-

(Continued on page 19)

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Canada's Other Big Mines Keep Their Shareholders Posted

Consolidated Smelters, International Nickel and McIntyre Porcupine Mines and Mining Corporation of Canada made big strides forward when they decided that the public were sufficiently interested in their ventures to warrant them issuing quarterly statements on earnings.

Incidently, and what was undoubtedly their main consideration, they were keeping their shareholders posted in regard the progress of their operation as reflected in the quarterly earnings.

Last week The Financial Post published on the front page of its mining section, the quarterly earnings of Howe Sound Co., New York, operating the Britannia Mine in British Columbia. This week in the same place will be found the quarterly earnings statement of Granby Consolidated Mining Co. operating two large mines in British Columbia.

Nipissing Mines used to issue an earnings report while production was on a large scale.

Thus, the only two large scale producing mines in Canada which do not issue quarterly statements to their shareholders are Hollinger Consolidated Mines, head office Montreal and Premier Gold Mines of British Columbia, controlled by Guggenheims of New York.

If it is good business for Smelters, Nickel, McIntyre, Howe Sound and Granby, five of Canada's outstanding mining operations, to tell their shareholders what they are doing quarterly it should be good business for Hollinger, especially when there is considerable evidence that public confidence in the venture has been shaken.

ADDITIONAL GOOD NEWS ON "NICKEL"

Deep Drilling Experience on Frood Has Been Repeated at Creighton Mine

Considerable new buying has come into the market for International Nickel and the shares are showing considerable of the strength and buying power which marked its rise in May and June. No additional information on the Frood mines has been forthcoming, although some details of the results obtained may be available the latter part of this month or in September.

On the other hand there are some optimistic reports going the rounds in regards deep drilling results on the Creighton. This mine has proven the highest grade nickel deposit of all. Of immense size it ran 4 per cent nickel and the product monel metal, an alloy, is made solely from Creighton ore.

Since operations have been underway on the property, there has been a steady expanding of the dimensions of the ore body, both laterally and at depth. There are still big possibilities to the north and now comes reports that deep diamond drilling has been attended with results much the same as on the Frood.

All these facts are opening up substantial new possibilities for deep mining of all the nickel basin properties. Worthington mine of Mond Nickel, which for a time seemed in a bad way has opened up surprisingly on a new deep level and the ore is said to carry one ounce of platinum to the ton.

Ten Foot Red Lake Vein is Discovered

A new discovery, reported to be the most important since the Howey, has been made on the St. Paul claims on shore of Red Lake, a mile west of McIntyre holdings, and opposite Jack Hammel's cabin.

The discovery vein is said to be 10 feet wide and traced already 200 yards. Fine visible gold is shot through the quartz.

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BROKERS PREDICT GENERAL MOVE UP IN MINING ISSUES

Are Advising Clients and Advertising Their Opinion to the Public

SHARES ARE STRONG

Some New Highs Are Noted Among Quebecs — Nickel Quite Firm

There has been a continued active mining market. Trading has gradually enlarged in volume and the tendency of prices has been upward. Many of the Quebec issues, under Amulet's leadership have shown considerable appreciation. Much of this is on merit. Area had quite a run but this was evidently only a market play as there is no news coming out that would warrant such a rise.

On the other hand Noranda and Towagmac, both subject of good news are if anything weak. There is not much buying going on in these issues. However, both are looking well. Noranda is adding materially to ore reserves and it is understood that on the Alderson Mackay mine diamond drills working at a depth below 1,200 feet have encountered excellent ore.

Pioneer had a flurry last week, but has eased back. It is anticipated that there will be some good news coming soon from this operation and perhaps it will be accompanied by a mill announcement.

International Nickel shares have exhibited considerable new strength of late and have held firm for a week now around 66 as compared with a high of late June of 75. There is a good deal of talk going the rounds in regard Nickel which is being looked on with favor in regard the fall market. No new information has been forthcoming in regard the Frood Mines, as it is a little early to expect this. There is much talk in regard deep results on Creighton Mine.

Lake Shore, Teck Hughes, Wright Hargreaves and McIntyre stocks have given evidences of accumulation. Some brokers are advising their clients and advertising the fact that they look for a general move up in the mining market this fall and suggesting that now is the time to buy and take full advantage of the profit possibilities of the various stocks.

BUSH COM. ADDS MATERIALLY TO ITS LARGE HOLDINGS

Acquires Chief Metals and Options All Ground to Big Missouri

Bush Consolidated Mines, with the largest holdings of any company in Portland Canal area, has, it is officially announced, materially increased its holdings by acquiring the Chief Metals group, which adjoins the Bush property and also by taking an option on all the claims lying between the Bush northerly holding and the Big Missouri.

This will put the Bush between two large proven mines. On the south will be the Premier with its new holding, B. C. and National Silver on Big Missouri, said to be a very large mine, about to produce on the north.

Bush Consolidated is carrying on an aggressive campaign of exploration, by diamond drill and with several gangs doing surface trenching and stripping.

J. P. Kendall of J. P. Kendall & Co., Toronto, who financed the Bush operation, has left for a visit of inspection to the property. He is accompanied by his consulting engineer.

Latest information from President Bush, who has just been at the property, is to the effect that the first exploratory effort was on the border claim, south of Premier, and diamond drilling quickly followed. He ran four short holes at a shallow depth and struck the mineralized quartz porphyry of the Premier type in two holes. He then went down the hill to put in a big hole and found the ore was getting better at depth. Wm. Irwin was sent up to the Extenuate camp. Irwin was formerly with R. K. Neil on the Premier in the early days and knows the country like a book. He went up for two or three days and found a big outcrop on the Monitor group, and the next day found a big vein on the Sunshine mineral claim. This vein is dipping into the Extenuate and runs through the Lakeshore mineral claim belonging to another company. Bush, who wrote from Vancouver, says he is down there, trying to make a deal for it. He also thinks it advisable to take over the Chief Metals group, if the terms are reasonable. This has since been done.

He adds. "I finally got a cable across the Salmon River, and have a couple of good prospectors over there to pick up the Border vein."

Leaders in British Columbia's Mining Industry

S. G. Blaylock, general manager of Consolidated Smelters' big mining and smelting operations in British Columbia and Hon. William Sloan, B.C.'s Minister of Mines. The Financial Post has tried repeatedly to get a photo of Mr. Blaylock but with no success. He never had a picture taken. However, on the occasion of the joint meeting of the Western U. S. and B. C. branches of the mining institutes at Trail, someone was able to engineer things to get the above snap. Hon. Mr. Sloan has since been seriously ill and for a time his life was despaired of. We understand he is now well on the road to recovery.

Both Mr. Sloan and Mr. Blaylock are pioneer mining men of the coast province. Under Mr. Blaylock's technical and managerial guidance "Smelters" has developed from a rather shaky and unprofitable operation into the outsanding non-ferrous metal producer of the world.

Potatoes $12 per Bag; Delivery $10

Costs Money to Eat in Woman Lake—Lunch Sets Operator Back $4.50

It costs money to run a mining camp in Woman Lake. M. Cameron Cowan, Ontario Woman Lake, says he bought two bags of potatoes to take into the camp, paying $12 per bag, and it cost him $10 to get them taken to the camp by aeroplane.

At the Woman Lake Portage he bought some gasoline at $1.75 per gallon and bread at 33c per loaf. He got stranded and wanted a lunch. A Frenchman, camping on the side of the lake, provided the lunch at a cost of $4.50.

BROADCAST MINE CONGRESS ADDRESSES

Mining Men Back in Woods Can Tune in and Hear Montreal Program

It has been arranged that mining men in the north country who cannot get out to attend the technical sessions of the Empire Mining Congress will be able to hear the addresses at the opening banquet at Montreal over the radio. La Presse is giving its aid in this. Addresses will be by Messrs. E. W. Beatty, Chancellor of McGill University, J. L. Agnew, Premier Taschereau, Sir Robert Horne, and others. The complete radio program for that evening will consist of the usual musical concert under the auspices of the Frontenac Breweries. This has been pushed ahead in order to take care of the Congress activities. This will be followed by a band concert of one of the Canadian Pacific Ocean Service "Empress" orchestras. At the close of this concert, the Windsor Hotel dance orchestra will play until the Congress speeches begin. One of the most prominent speakers, to whom the British Foreign Office request that considerable attention be shown, is the Honorable F. W. Beyer, Minister of Mines for South Africa.

The call letters of the La Presse radio station are "CKAC," and the wave length 411 meters. This is one of the most powerful stations in Canada and mining men in nearly all parts of the Dominion will be able to keep in touch with the Congress banquet through the courtesy of Hon. P. R. DuTrembley in placing the La Presse radio station at the service of the Congress.

Following the Montreal sessions, there will be a meeting in Toronto and then the tours of the mining areas will follow. Every province and Newfoundland will be visited. It is expected that delegates will total around 2,000 and that the great bulk of them will take in one of the tours.

Countries already listed to be represented at the meetings in various parts of the Dominion include: Great Britain, Canada, Africa, the U. S., Belgium, Czecho-Slovakia, France Germany, Russia, the Federated Malay States, India, Korea, Siberia and Australia.

Duprat Will Launch New Mining Effort

The details of the refinancing of Duprat Mines have received final approval. The company, now holding over 6,000 acres of prospective mineral lands, will launch an aggressive eploration effort. New holdings have been taken up in Montbray and Kamiskotia.

Duprat's new company starts out with $75,000 cash in the treasury and large stock holding in the treasury which will make future financing possible. The directors of the company met on Tuesday of this week at the head office at Quebec City and authorized Jos. Houston, M.E., to proceed with the testing out of the various properties of the company at once. It is believed that a drive will be made on the large 4.000 acre block recently acquired in Montbray, where Nipissing has encountered such sensational copper-gold ore.

PREMIER GOLD BIG DEAL IS DEFINITELY CLOSED ON COAST

Takes B.C. Silver and National Silver Into New $10,000,000 Concern

The Premier, B. C. Silver and National Silver amalgamation has definitely gone through.

Two weeks ago, The Financial Post made the exclusive statement that the deal had been concluded, though it was not officially stated. The latest advices, while not official, either, are from sources that figure very strongly in the deal, and the news from them is that the deal is definitely closed.

Thus, the three big proven mines in the Salmon River section of Portland Canal come under one management. Just how this will be handled, is not yet known.

Premier has a 400 mill, and this can be easily enlarged. It has also capable and experienced engineers, but so has the B. C. Silver. The management of the latter and National Silver has been the same for some considerable time.

The terms, as announced some time ago in The Post, are the correct ones. Premier increases its capital to $10,000,000, or double the present figure, and pays back the other two, all the money they have expended, plus substantial blocks of stock.

VEIN SHOWS FREE GOLD FOR 2,500-FT

Strong, Well Defined Body is Stripped on Ontario Woman Lake

Ontario Woman Lake property in Woman Lake has been examined by T. T. Williams, M.E,, and a report is expected soon. It is understood that the large quartz prophyry vein has been stripped for 2,500 ft., and shows a consistent width of about six feet. Panning gave free gold in every pan. The vein was carefully sampled and it is expected that Mr. Williams' report will give the result of the assays. There are two other distinctive veins on the property, both paralleling the other big vein. One is blue quartz, showing much free gold and the other is a galena vein on which rise five large domes of solid galena. These have not been shot into, as yet.

GRAZELLE K. GETS HIGH GOLD VALUES

Drill on South Part of Property Shows $17.80 Across Width of Vein

The second diamond drill hole on Grozelle Kirkland cut the vein at 530 ft., and showed values of $17.80 across the full width of the vein. The drill cut 406 ft. of porphyry.

No. 1 hole was sand in this same vicinity in the south part of the property. and it also cut a large body of porphyry.

Hole No. 2 is now well started, and is being put down in the north end of the company's holdings, which are south and west of Kirkland Lake Gold.

LAKE SHORE WILL INCREASE MILL TO AROUND 2,000 TONS

Understood Plans Are Under Way to Expand from 750 Tons

MINE POSITION STRONG

Full of Ore, and Present Capacity Hardly Handling Development Ore

No Stock Split

A great deal of gossip makes the rounds from time to time in regard Lake Shore stock. Many believe that Lake Shore shares would be split like those of Wright-Hargreaves.

The writer has never believed that this would take place and recently an intimate of Pres. Harry Oakes, remarked to the writer. "Harry will never split that stock." Knowing both men, the writer is satisfied that the speaker knew what he was talking about.

Lake Shore mill will be increased to 1,500 to 2,000 tons. Plans are under way to do this.

This is not official. No intimation of such a proposal has come from Pres. Harry Oakes as yet, but it may come any time. The writer is satisfied, however, that it wont be long before definite action to step up the daily tonnage will be taken. In all former betterments the company has made allowance for increases with a minimum of effort and expense. The mill can be easily added to and the same with the power plant. Crushing capacity is already ahead of requirements and underground installations to take care of the new levels opened up, can materially increase this.

Mine is Ready

As for the mine, it is ready to-day for a big tonnage increase. When the writer visited the mine earlier in the year, there was only one stope in the mine that was not full of ore and that one was half full. This fact told an interesting story. It was striking evidence of the fact that Lake Shore had not started to draw one from its mine, up to then, and that the production to-date had all come from development. The great bulk of this had come from above the 800-ft. level to where any mining that had been done, had been confined. Pres. Harry Oakes, some time ago intimated that there was around $16,000,000 proven ore above the 800-ft. horizon with possibilities yet to be explored. Our understanding is that at least that amount is still there.

Meanwhile the mine has been opened by shaft sinking to 1,600 ft. and this gives three new levels, 200 ft. apart and 12 new ore faces, four on each level, and each face has possibilities of 1,000-ft. lateral extension either east or west as the case may be.

Below 800-ft. the only lateral work done has been on the 1,000-ft. level and to the west on this level, a winze was sunk which opened up fabulously rich ore.

An evidence of the great ore position of the mine, however, was the fact that on the 200-ft. level there remained two ore faces untouched, two on the 600 and one on the 800-ft. which with the new levels made 17 new faces or 17,000 ft. of known ore to be opened up. Levels are 200-ft. apart and because of the known position of the mine, it is safe to assume that the ore will extend from level to level. Thus these 17 new faces, worked out on a very conservative figure of 5 ft. wide and $15,000 would have a roughly computed value of $21,249,990. This estimate is quite conservative as Lake Shores veins average much over 5 ft. extending in bulges, as they do at times to over 40 ft. while, as to values, as has been pointed out they are fabulous in places in No. 1 vein and will allow for a high average mill head and at the same time absorb a great tonnage of the dwindling low grade supply in the upper levels.

Howey Finds Extension of Its Main Ore Zone

Little news is coming out in regard what is being accomplished on the Howey Red Lake. Shaft sinking is proceeding and as this is a considerable distance off the ore body no news from this angle is to be forthcoming for some considerable time. Surface work is being done and a rather interesting note in Patricia Herald says an extension of the main vein has been found covering a distance of 1,000 feet.

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LAY 3 MILES OF PAVEMENT WITH ALBERTA TAR SAND

Jasper Park Experiment Shows Durable Roadway with Saving in Cost

From Our Own Correspondent.

EDMONTON.—Three miles of roadway leading from the railway to the C. N. R. Lodge, Jasper Park, Alberta, built with the famous McMurray tar sand as a surface, is about completed. It is regarded as the most important road developed in years and proving, as it does, that the tar sands make a durable and economic highway, it opens up possibilities of a big new industry.

Fort McMurray tar sand deposit contains billions of tons. Outcrops totalling 270 and stretching for 220 miles as practically one continuous deposit, indicates what awaits if the roads stand up to expectation and it develops that the sands can be mined and shipped economically.

Dr. S. C. Ellis, engineer of Federal Department of Mines, Ottawa, who is in charge of the Jasper Park experiment, devised and constructed at a cost of $2,000 a plant which handles quickly and economically the preparation of the sands for pavement laying. It is remarkably simple. The tar sand is unloaded from flat cars onto a platform where it is weighed, mixed with a local aggregate, and dumped through chutes into two revolving drums, which have a diameter of six feet. These drums are internally heated, by a blast from a two compartment oil burner, to a temperature of 325 degrees Fahrenheit, which drives off the lighter oil in the form of vapor. After this the contents of the drum, approximately 5,600 lbs., is dropped into a dump wagon and hauled to the point under construction. Here it is spread and rolled by a seven ton roller in exactly the same way that ordinary asphalt is handled. Three hours after being compacted the surface is ready for traffic.

Cost Is Much Less

The daily output of the plant is approximately 520 square yards of two-inch compacted surface. One mile of pavement requires about 900 tons of tar sands, or 30 carloads, of the bituminous content of the McMurray product. Figures compiled by engineers, who are closely watching the work, show that the final cost of the tar sand pavement at Jasper is $1.04 a square yard, while pavement constructed from imported materials costs $1.23 a square yard in Edmonton. At present the tar sands are mined by the pick and shovel method, loaded into scows and towed five miles by motor boat to the end of the steel at Waterways, and there shovelled onto flat cars, which carry the material directly to the plant at Jasper. When the proposed extension of the A. & G. W. railway is completed, the raw material may be loaded directly onto cars by steam shovels in the pits. This will reduce the cost of the finished povement to 55 cents a square yard two inches thick. This will enable Alberta to construct what is probably the best and cheapest roads in the world.

Test Being Watched

Beyond a hard road-bed, well ditched on both sides, no preparation is required before applying the tar sands. At Jasper the pavement is being laid 15 feet wide on the straight-away, and 18 feet wide on the curves.

It is not only in Canada that interest is being shown in the McMurray tar sands. There is hardly a day passes in which Howard Stutchbury, Alberta Trade Commissioner, does not receive inquiries about these sands. Recently a paving company in Holland asked for samples, and car load prices on the material routed through Montreal.

As usual, American financiers are keenly alive to the vast possibilities of the northern Alberta tar sands. A California syndicate has formed the Altapave Manufacturing Company, secured holding in the bituminous sands district, and are prepared to expend $200,000 in development as soon as the Alberta Government makes the three and a half mile extension of the railway, which is now under consideration. The Altapave company's plan of development includes the erecting of a large plant at Edmonton, construction of one mile of railroad, and the building of two bridges over Horse Creek, where the nearest deposit of tar sand is found.

Now that a practical method of paving with tar sands has been evolved, Dr. K. A. Clark, of the research staff of the University of Alberta, is working on a method of treating gravel roads with a binder composed of extracts from the McMurray sands. The first application of this binder will be made on gravelled roads near Edmonton during the present summer.

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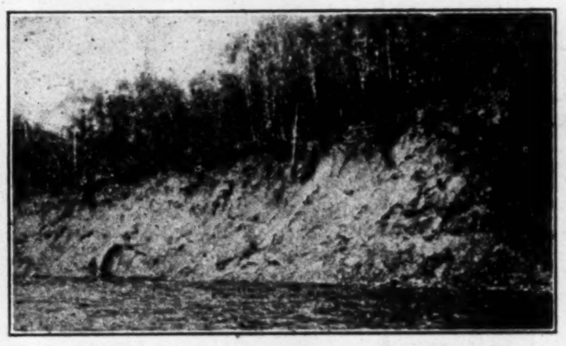
Some Tar Sand Outcrops in Northern Alberta



GRANBY CONTINUES HIGH EARNINGS; COSTS LOWER

Material Reduction Made in Interest Charges as Debentures Converted

Grandby Consolidated, operating Anyox and Allenby mines in British Columbia, practically maintained, in the first six months of this year, the remarkable increase in earnings which took place in 1926. Earnings for the second quarter of the year amounted to $513,591, before depreciation which compares with $293,948 for the preceding quarter.

An evidence of the strong position into which the 432,000 common shares are working is the fact that all the 7 per cent. debentures, totaling $2,500,000 have been converted and the funded debt now stands at $757,000, 6 per cent. bonds, due May 1, 1928. Bond interest is thus cut from $251,349 in 1926 to $44,220 in 1927 and will be eliminated entirely in 1928. Working capital stands at $3,339,560.

Profit for first half of 1927, totaled $807,540 before depreciation and depletion, against $891,431 in first six months of previous year.

Granby Consolidated in the second quarter of 1927 produced 14,800,127 pounds of copper, monthly average of 4,933,375 pounds, compared with 13,563,591, average of 4,521,197 pounds a month, in first quarter. Weighted average cost of producing copper at both Anyox and Allenby before depreciation but including all operating and general expense, with precious metals and miscellaneous income credited to copper, was 9.153 cents a pound compared with 10.374 cents in preceding quarter.

Colonel J. T. Crabbs, president, in his remarks accompanying the report for the second quarter, says there is no construction under way at Anyox, and that work is progressing favorably at Allenby on the improvements which will be completed some time in the fourth quarter of the year.

Income account by quarters and six month period follows:

Quarterly Earnings

	1927	1926	1925
Gross	......	$1,308,732	$1,405,183
Expenses	......	808,659	1,001,775
Operating inc.	$503,933	500,073	403,408
Other income	46,873	30,696	56,706
Total income	550,806	530,769	460,114
Interest	37,215	68,936	190,253
*Profit	513,591	461,833	269,861
Six Months ended June 30:			
Gross	......	$2,623,456	$2,697,918
Expenses	......	1,676,253	2,041,923
Oper. income	$835,281	947,203	655,995
Other income	75,723	83,723	71,959
Total income	911,004	1,030,926	727,954
Interest	103,464	139,495	262,133
*Profit	807,540	891,431	465,821

*Before depreciation and depletion.

Teck's Vein Said to be 100-ft. Wide at 2,475-ft.

There is a report abroad that Kirkland Lake Gold has had two recent successes, one on the 1,300-ft. level, where, it is said, some excellent ore has been opened up and also on the deep level, 2,475.

It is also reported that Teck Hughes new deep level, 2250, is looking well and that the vein is showing up of exceptional width, said to be up to 100 ft.

CONIAGAS PLAN TO FINANCE CONIAURUM NOW ABANDONED

Objection Was Raised by Goldale and New Scheme Will be Needed

Coniagas plan for financing new development of building a mill for Coniaurum has been knocked in the head. A new scheme will now be necessary, and will likely take the form of an offering to shareholders.

Coniagas proposed to lend Coniaurum $800,000 at 7 per cent. and to take down a bonus of 80,000 shares of stock. This was much like the Hollinger deal with Noranda. Hollinger loaned $3,000,000 and got a bonus of 30,000 shares of stock.

Goldale directors objected to the proposal. Goldale has around 228,000 shares of Coniaurum. Goldale, with some cash in its treasury, evidently figures that there were certain rights that would accrue to the company, if an offering was made to shareholders. There was talk of a price of $3. The registering of this objection led to the withdrawal of the Coniagas offer.

It is likely that shareholders will now be offered shares, perhaps at $3. Coniagas holds about 65 per cent. of Coniaurum's outstanding stock.

HIGH GOLD VALUES ON ASTORIA ROUYN

Results Met With Are so Encouraging That Working Force Will be Increased

In group No. 4, the Imrie, Racicot and Pare holdings, in Quebec, Astoria, Rouyn mines, state they have a holding that looks like the outstanding gold operation on the camp. Encouraging news has been forthcoming, and operations are being speeded up. Two tons of supplies have been shipped in by express, and a large additional force will be put to work.

J. S. Sipprell, B.Sc., has just reported on this group and got high values over good sloping widths. His report reads:

Along the schisted area for a distance of some hundreds of feet irregular quartz intrusions occur in the form of mounds and stringers, with considerable oxide of iron to be seen on the surface. Considerable mineral is to be seen in places through the schist. It was along this zone that most of the previous work was done and assays showing high values in gold are reported. In the course of this examination an old trench was extended further south. A distinct change for the better in a formation which may be already classified as good. A strong vein of so-called blue quartz was uncovered, together with a number of regular stringers, all mineralized along with the schist. Starting from the south end of the trench three channel samples were taken across the vein formation which strikes east and west, the results of these are as follows:

Sample No.	Gold oz. per ton	Value	Width
1A	1.22	$24.00	5 ft.
1B	0.98	19.60	4 "
1C	Trace		4 "

Disregarding the northern section we have an average of $22 per ton over a width of 9', in itself a very satisfactory result. Taking the three assays, including that which is possibly just outside the zone we get a very pleasing result as this gives $14.66 per ton over 13 feet. As the sample from the end of the trench farthest south gave the highest result it would seem that it is quite possible we shall find more of the ore bearing zone if we extend the trench south which will be done.

The dip of the formation appears to be about 65 degrees which is a favorable feature. The light colored quartz intrusions and oxided iron coating in mineralized schists are all favorable features for the deposition of gold, while the diabase to the west and north is a most promising association for the precipitation of ore.

Woman Lake Island Looks Like a Mine

Advices are to the effect that the Capt. Pickard Island in Woman Lake looks very much like a gold mine. This is a Quebec operation, financed by Quebec people. There is a shaft down 20 ft., and values run $7 across the face of the vein. The island is somewhere between three-quarters and a mile in length.

TRAIL ORE RECEIPTS

Ore receipts at Trail Smelter of the Consolidated Mining and Smelting Co. from July 22 to 31, inclusive, and from Jan. 1, 1927, to date, in tons, follow:

Company's mines	13,586	248,673
Other mines	3,417	91,997
Totals	17,003	340,670

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FAVORABLE DRILL RESULTS SECURED BY GULL KIRKLAND

Much Interest in the Work Which is Seeking Extension of Kirkland Zone

Some favorable results have been met with in diamond drilling on Gull-Kirkland property in Gull Lake, east of the producing section of Kirkland Lake. President A. H. C. Carson has sent full details to shareholders in a progress report. He says:

Diamond drilling along the lines recommended by the company's engineer has now been carried on since the beginning of the year, and the work necessary to determine the formation and geology of the property will soon be completed.

No. 1 drill hole was put down to a depth of approximately 650 feet to the east of the centre line of the property. The driving of this hole was greatly delayed owing to an unusual amount of over-burden, but at a depth of approximately 234 feet a vein was encountered which did not show on the surface, but which showed in the drill cores for about 6 feet, and at about 380 feet No. 1 vein was cut which again showed a width of about 6 feet.

The drills were then moved almost to the southern boundary, and two drill holes of about 1,200 to 1,400 feet total length were driven across the property. The object of these holes was to prove the geology and formation.

No. 4 hole was put down several hundred feet to the west of No. 1 hole, to see if the veins encountered in No. 1 hole extended that length. These veins were again cut, and in addition a mineralized area showed in the drill cores for about 29 feet. This latter showing was not expected, for while there was a small fracture on the surface it did not seem possible that it could widen out into such an area of mineralization at the depth at which it was encountered, which was approximately 184 feet drill core depth.

No. 1 and No. 4 holes were both put down to cut the contact with the porphyry body which extends across the property. No. 5 hole, which is now being driven, was sited north of No. 4 hole, at around 500 feet, again ran into heavily mineralized material which showed for about 30 feet in the drill cores, and some distance further on cut two veins, each of which showed for about 6 feet in the cores.

You will therefore see that the number and widths of the veins cut has been most satisfactory, and that in several instances these veins did not extend to the surface, but they are likely to become very important ore bodies when worked at depth. Assays made have given values which correspond with those obtained on the producing mines in this camp at similar depths.

The most important object of the diamond drilling, which was the proving of the geology and formation, has given results which our engineer considers to be most satisfactory. A geological map of the property and a full report of the work done and the conclusions to be drawn therefrom, are now being prepared by the company's engineer, and we expect shortly being able to furnish you, not only with this report, but also with the report of an independent engineer, who has lately visited the property on behalf of some of our largest shareholders, and who has given a very favorable report of his findings to them.

The results of the work done have been of such a definitely favorable nature that the directors have authorized the erection of a camp in anticipation of shaft sinking, and this work is now being proceeded with.

SECOND PAYMENT IS MADE BY HOLLINGER

Interesting Detail on the Rowe Group Adjoining Jackson-Manion Holding

Alex Rowe, who sold the claims adjoining the Jackson Manion group to Timmins interests, and who, by the way, received his second payment, though the Jackson Manion second payment was not made, has made another important find just at the end of Woman Lake at the narrows into Bear Lake. Incidentally, it is reported that Rowe payment for the claims next Jackson Manion came from Hollinger, and not from Mr. Timmins, which would serve to substantiate the previous reports that the Jackson Manion option was really for Hollinger as are some of the Clearwater lake exploratory efforts.

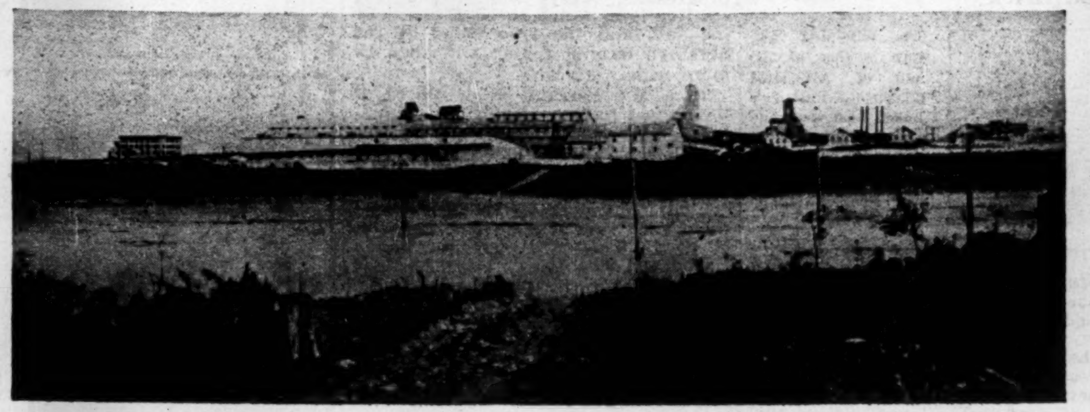
Heavy Selling of Dunwell on Coast

VANCOUVER, B. C.—There has been an exceedingly active market for the past two days in the shares of Dunwell Mines. This stock opened on August 8 at $1.22 and sold down during the day to 85 cents. It opened Tuesday morning at 85 cents and sold up to $1.04, closing with 95 bid, $1.04 asked.

Rumors conflict as to the cause of the wide fluctuations, and nothing of a definite nature is available other than that a large selling order came on the market.

Concurrent with the fall of Dunwell, Premier shares rose from $2.21 to $2.27 Monday and Tuesday dropped back to $2.22, closing $2.20 to $2.24. The general list, with the exception of British Petroleum which sold at 7½ cents, is firm. Porter Idaho sold at 20c, closing 19½ to 20. Lucky Jim sold at 19c and Dalhousie Oil at $2.12.

Much in the Limelight These Days



The above picture shows the huge reduction works of Hollinger Consolidated Gold Mines at Timmins. The company's affairs are much in the limelight these days owing to the recent unexplained but severe depression in the market value of the company's only security, the common stock. See article on front page of mining section.

HOLLINGER SHAREHOLDERS ARE ILL-INFORMED AS TO PROGRESS

(Continued from page 17)

tion of the advice and assistance I have received from the board of directors."

Since that time Hollinger Consolidated Mines has sent 17 letters to shareholders bearing 17 dividend cheques, but not one word as to how the operation has been going on.

And what a wealth of important information there has been piled up during that long period that might have and should have been given to the shareholders and to which they are justly entitled.

Paved Way for Break

All of which has paved the way for just what has happened, a break in the market for the shares.

Who has been selling. Are the insiders slipping their holdings on the market? is a question which Moysey & Co. ask in their recent market letter. They add:

There is a feeling, in certain well-informed financial circles which are in the habit of keeping a watchful eye on the Hollinger situation, that the continued silence of the company officials, as to what are the actual physical conditions in the Hollinger Mines in the Porcupine Gold Area, and as to what results are being obtained in the development of the company's large holdings in the new Kamiskotia Copper-Gold Area, is tending to shake the confidence of some investors who have been holding Hollinger shares for a long time.

It is doubtful if the point made in the Moysey letter, about insiders selling is the right one and the further perusal of the article shows that the writer of the article does not believe that either. If insiders were getting from under, it would be with a boom and a bang. That is the usual way. On the other hand, there is a great deal of truth in the points made in the further text quoted, that confidence of some is being shaken.

Rumors are Busy

The article blames the lack of official information for setting the stage for the rumor mongers to get in their fine work and they have been doing so. Among the rumors are that Hollinger is pinching out at depth and that production can never be maintained at the expected rate of between 7,000 and 8,000 tons.

The heads of the company may take the stand that they and shareholders are not concerned with rumors and that all the shareholders are interested in is that dividends be maintained regularly.

It is to be recalled that Mr. Timmins has pointed with pride to the steady increase in the number of the company's shareholders and that the bulk of the shares are held in Canada.

The experience of the last few months is one that will hardly continue the increase in Hollinger shareholders. Because a great many of Hollinger shareholders are as much concerned about the position of the stock as collateral as they are about the dividends. Many bought Hollinger shares as a good safe place to have surplus funds tied up. The stock has enjoyed a strong position with the banks and was readily accepted as collateral. But when the shareholders see their collateral depreciate $5 a share in a short space of time, it is reasonable that they should get nervous and naturally they look to the logical place for an explanation, the heads of the company; but they look in vain.

Nothing Wrong

The writer does not believe that there is anything wrong with Hollinger and hardly believes that the officials could offer any positive explanation for the weakness of the shares. On the other hand if they kept shareholders informed, it may be that the weakness would never have developed.

There may have been considerable selling of Hollinger. Some of the holdings of some of the large estates may have been liquidated. And transactions in May, June and July, would indicate that there has been something of the like going on. Perhaps the liquidation was only in the first two months, but the weakness established then, not having been counteracted, has continued to the present. The following table shows Hollinger transactions, throughout the decline and the price range.

	High	Low	Sales
January	20.85	20.00	41,200
February	22.65	20.50	40,500
March	22.20	20.70	31,819
April	21.00	20.70	37,738
May	21.05	19.80	52,200
June	20.00	18.05	46,000
July	18.75	18.00	33,600
August	18.50	18.10	7,600
			290,657

Millheads are Down

As far as can be learned the average recovery per ton at Hollinger of late has been looking poor. It looked poor before, but recovered. The fact of the matter is that the variation in Hollinger millheads is no yard-stick by which to judge the proposition. They are perhaps only an evidence of the "don't-care-for-the-public" attitude of the management. Our understanding is that without any effort the company can maintain "millheads," as they are technically called, at any level. Hollinger has a great deal of rich ore, some of it fabulously so in the Schumacher. Hollinger has a tremendous mine, large and rich in the Schumacher. It has not begun, as yet, to push development in this quarter, though the new 3,000-ft. shaft, which was put down, is designed to ultimately open out this mine.

Hollinger's Dipping Veins

As for the Hollinger veins dipping out of its property as rumor has it, and into McIntyre which is quite evident the idea back of the rumor, this is bound to be true in a sense, but of far greater importance is the fact that the great bulk of the Hollinger veins do not extend N. E. as the rumor would indicate, but more direct east and into the Schumacher.

All these are facts that Hollinger directorate could tell shareholders, but they haven't. The annual reports of Hollinger for 1924, 1925 and 1926, do not contain one word in regard the development of the Schumacher property with its spectacular results. The annual reports are the only message which Hollinger directs to shareholders other than the interesting, but all too brief verbal statements of Pres. Noah Timmins at the annual meeting.

Romance is Gone

Another factor which may have played a part in selling of Hollinger shares, is that for the most part the romance is gone out of the operation. It is a big solid venture, that seems assured of a steady earning over a period of years and which from now on will depend on getting costs down, to increase profits per ton. It is understood that a dead set on cutting of costs has been made and good results are being achieved.

As to Hollinger's future. It is paying $1.30 per share and it is believed could and may pay $1.75 this year. It has a tremendous cash surplus which must be approaching the $11,000,000 mark. Not long ago The Post pointed to the millions out of earnings that the company has plowed back into betterments and reserves. The day of large scale betterments must be nearly at an end. This will bring a measure of relief to the demands on earnings at the cost of increased dividends and should react to the benefit of the shareholders.

Holds Noranda Shares

In addition, it must be remembered that Hollinger has quite a holding, 30,000 shares in Noranda and has its Kamiskotia development going on. In regard this, it might be pointed out that Mr. Timmins and Mr. Brigham, zealous as they appear to be in watching the shareholders' dividends, would hardly divert the funds they have to the Kamiskotia exploration effort, unless they were satisfied that they had a pretty fair chance of getting somewhere. Some drilling was done, therefore they must have an idea of what to expect when they get the shaft down and some lateral work done. It may be that something will be known by the end of this month. We should judge, that if the results are unfavorable the fact will become known, if they are favorable, the only sign will be the continuance of work, unless perchance, the company decides to break its long silence.

TIMMINS HAS QUIT THE JACKSON-MANION

One Man Left on Property is Selling All Equipment and Supplies

N. A. Timmins Inc. has definitely given up the Jackson Manion group at Woman Lake. Reports that a new deal had been consummated were proven wrong when the manager of the property started selling the equipment and supplies on the property.

It is learned from reliable authority that diamond drilling on the property encountered granite at around 200 ft and that this led Mr. Timmins to seek a new deal. It was a kind of a wet blanket on the possibilities of the property at depth.

Nevertheless, it is agreed that the Jackson Manion is a mine and Mr Timmin's negotiations to retain the property on a modified deal evidences this. However, the possibilities or rather the indications or conclusions, from this drilling information is that it is a small and perhaps rich mine.

Supplies are being sold to the various operators nearby. One man is left on the property.

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OIL STRUCTURES IN SOUTH ALBERTA ARE REPORTED ON

Government Geologist Finds Area South of Medicine Hat Quite Favorable

The strong report which the Federal Geological Survey issued on Cypress Hills country, south of Medicine Hat, has awakened buch interest in the oil possibilities of the area. One company has already announced that it will drill two wells and it is reported that Imperial Oil has offered substantial cash sum for control of a Toronto company with large holdings in the area.

W. S. Dyer made the report, which has been published in book form. Mr. Dyer says that as a result of his studies of the area evidence was obtained, which necessitates a fresh interpretation of the structure of the rocks underlying the hills, and as this structure appears favorable for the accumulation of oil or gas, a description of it is given.

The area begins about 30 miles southeast of Medicine Hat and extends easterly for more than 80 miles. The report is accompanied by a couple of instructive maps of the area and data regarding the stratigraphy.

Mr. Dyer says the structures are much better defined than any other structure found to date in Alberta, with the exception, of course, of those of the foothills. They are commensurate in area and rate of dip with the Kevin-Sunburst dome of northern Montana. They should prove to hold oil or gas provided the underground conditions are right. These include the presence of porous sands suitable for reservoirs, and beds capable of generating petroleum. The Milk River sandstones which hold so much gas at Medicine Hat might possibly be oil bearing in the more pronounced structures. Other favorable horizons would be the sandstone beds in the Colorado, the Blairmore - Kootenay sands, the Jurassic (Ellis) sand or limestone, and the Palaeozoic (Madison) limestone, all of which can be reached at reasonable depths. Oil showings were met with in the Drazan well in the Many Island field, in the Blairmore-Kootenay and in the Jurassic. In the Roth well, at Medicine Hat, oil showings were found in the Ellis and at the top of the Palaeozoic, and several strong flows of water indicating porous horizons were struck in the Colorado, Blairmore-Kootenay and Palaeozoic. These wells were both located on very much flatter structures.

It would require deeper drilling than at Medicine Hat to reach the same horizons in Cypress Hills, owing to the higher stratigraphic position of the beds exposed. At Medicine Hat the Roth well No. 1 was strated about 100 ft. above the top of the Foremost beds. It reached the Milk River sandstone at a depth of 1,080 more at feet, the Blairmore at 2,520 feet, the Jurassic (Ellis) at 2,800 ft., and the Palaeozoic at 3,000 ft. Adding 775 ft. to these figures, which represents the distance between the horizon at which the Roth well was started and the top of the Bearpaw on Cypress Hills, assuming there is no change in the thickness of formations. Thus the Milk River sandstone would be reached at a depth of 1,855 ft., the Blairmore at 3,295 ft., the Ellis at 3,575 ft. and the Palaeozoic at 3,775 ft.

It would be best to choose sites for the first wells on the northern side of the structures, because more detail is known and greater dips exist.

Certain deep coulees dissect the hills and afford an opportunity of starting wells at the lowest horizons (the top of the Bearpaw). Such coulees are Medicine Lodge coulee, and the Long coulee which extends from the western end of Elkwater lake to the small lake in 17-8-3-w4, and thence southwestward to Medicine Lodge coulee. Still another coulee runs from the corner of the road near the centre of 20-8-4-w4, westward to the Medicine Hat-Manyberries high road. A well located on the shores of Elkwater lake would begin about 50 ft. below the Estevan coal seam, or 275 ft. above the top of the Bearpaw.

The effect that the Bullshead Creek fault would have on the accumulation of oil or gas is very hypothetical. It is a dip fault, i. e., the strike of the fault-plane runs more or less parallel to the direction of the dip, and, hence, is not of so much importance as would be the case with a strike fault.

Complete logs of the Drazan well (Many Island Oil & Gas Co. No. 1) and the Roth No. 1 well at Medicine Hat are given.

Under the heading of "Structural Geology" and in describing the methods used in working out the structure, the Dyer report says:

Two well-marked geological horizons permit the determination of structure in the hills. These are the Whitemud beds and the lignite seam in the Estevan formation. Elevations were obtained on these horizons at several points and a structure contour map was constructed which revealed a rather well-defined dome of considerable proportions. In addition, a fault with about 500 ft. throw was found on Bullshead Creek.

Wherever possible the black, bentonitic clay band in the middle of the Whitemud beds was used, but in some cases only a small part of the beds, of uncertain stratigraphic position, was exposed. Elevations on any part of the Whitemud beds, however, would not leave room for great error as the whole formation is only 25 ft. thick. Elevations on the Whitemud beds were determined by telescopic alidade and vertical circle at seventeen points.

(These are given in detail in the report.)

The chief lignite seam in the Estevan beds occurs 60 feet below the Whitemud beds and approximately 175 feet above the base of the formation. Its elevation was determined at the following points: (Which are given in detail.)

A third horizon, which may prove useful in future work, is uppermost sandstone ledge of the Fox Hills formation. It was used with reservation in the present work, because it could not be definitely shown that the same ledge was developed in all cases.

An important outcrop was one of Fox Hills sandstone in the s.w. sec. 30-9-1-w4. A ledge of sandstone is exposed there which undoubtedly represents a horizon closely equivalent to the ledge of sandstone occurring 150 feet above the base of the Fox Hills in Medicine Lodge coulee. The importance of the outcrop lies in the fact that it occurs a considerable distance away from the other exposures in the hills and hence affords an opportunity of determining the dip on the north side of the hills. The elevation of the top of the ledge is 3,516 ft., making the reference horizon 3,366 ft.

At one point the top of the Bearpaw shale is 3,762.7 ft. above sea level, and at another a Bearpaw exposure reaches an elevation of 3,350 feet, and the top of the formation is probably 100 feet higher at 3,450 feet.

In constructing the structure contour map the top of the Bearpaw shale was chosen as a reference horizon. Although not a well marked horizon itself, it was chosen because it underlies the whole area, whereas the Whitemud formation, the best marked horizon, owing to its higher position in the stratigraphic series, has been eroded at many points. The contour lines, therefore, represent elevations at the top of the Bearpaw shale.

Description of Structure — The structure contour map reveals a structure of rather large proportions. There are really two structures, an eastern and a western, separated by a syncline which runs through Medicine Lodge coulee. The beds in the syncline, however, are structurally higher than the beds on both the north and south sides of the hills.

Pours First Gold Brick

The adjoining picture is that of the mill of Associated Goldfields, Larder Lake. Last week end a large party went north to be present at the ceremony. The brick is said to run around $16,000.

MINING IN QUEBEC SHOWS GREAT GAIN

1926 Record Should be Easily Exceeded, Says Minister—Congress Will Prove Boon

QUEBEC. — "Mining is booming greater than ever before in this province," Hon. J. E. Perrault, minister of colonization, mines and fisheries, said. The record of last year will be easily exceeded this year, if present indications can be taken as a criterion.

"During the past few months, there has been a tremendous advance in mining in the Gaspe district. Several very big companies are working and the yield of zinc and lead promises to be a very big one.

"In the Rouyn district, things are progressing very well. The big smelter is expected to be finished by the fall, and the true value of the northern mining region will then be more widely known."

Hon. Mr. Perrault is delighted at the second Empire Mining and Metallurgical Congress being held in this province. "The delegates who will come to this province in a fortnight's time," he said, "are among the greatest mining experts of the world, and their visit here will do Quebec a lot of good. They will visit Rouyn and Gaspe and when they return to their respective countries, they will be able to give the people some idea of the mining possibilities of the province of Quebec."

RUBEC FINANCING COMPLETED

MONTREAL.—Rubec financing has been completed this week. Work will begin on the development of the property within the next ten days, and will be in charge of competent engineers. The original Rouyn Gold holdings on which $100,000 has been spent, will be the first of the group to be developed, and the properties lying between Number 2 and Number 8 group of Stadacona are to be thoroughly prospected and diamond drilled.

MINING STOCK QUOTATIONS
Week Ending Aug. 9

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 9	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	2.30	1.95	2.00	19550	....	....	2.30	.20
Aconda	1	....	....	19	14½	14¾	33300	....	....	45	14½
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Amal. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	4.76	4.10	4.33	588816	2.89	.90	4.47	.85
Algonquin	1	....	....	3¼	2	2½	26000	6¼	1½	5½	2
Apex	1	....	....	....	....	....	....	6	2¼	3½	1
Area	1	....	....	65	50	56	809015	1.55	.21	1.95	.25
Argo. Con	1	....	....	33½	30	33	209250	67	18½	59	25
Atlas	1	....	....	3	3	3	20000	5	1¼	7	2
Archean	10	....	....	....	....	....	....	....	....	18	17
Ajax Oil	1	....	....	10	10	10	2500	....	....	39	6½
Bard	.	....	....	25	25	25	200	....	....	1.59	.25
Baldwin	1	....	....	1¼	1	1¼	15300	6¼	1	4½	1
Barry Holl.	1	....	....	30½	29½	29¾	45370	1.00	.21	1.00	.25
Beaver	1	....	....	1.27	1.09	1.20	90950	.99	.51	1.27	.5½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	1	....	....	11¼	10	10¾	15000	9¾	4½	14½	5
Boischatel	None	....	....	5½	4	4	47500	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	2
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	3½	3	3	6000	7¼	2	9½	3
Bunker H.	10	....	....	97	97	97	10	....	....	1.00	.75¾
Can. Lorrain	1	....	....	13¼	12	12½	7800	93	57	72	10
Capitol S.	1	....	....	20	17	18	6900	48½	24	34	15½
Capitol R.	.	....	....	16¾	10	15½	8500	43	26	54½	10
Cen. Manitoba	1	....	....	1.60	1.50	1.54	39500	....	....	1.90	1.07
Castle Tre.	1	....	....	76½	75	75	9800	1.85	.91	1.27	.75
Chaput H.	1	....	....	10½	9½	9¾	41950	22	3¾	13¾	4¾
Clifton	1	....	....	....	....	....	....	6½	1	3½	1
Col. Kirk	1	....	....	2¼	1½	2	64500	6¼	2	6	1½
Coniagas	5	....	....	5.00	4.75	4.90	6141	4.85	3.00	5.00	3.20
Coniaurum	5	....	....	4.25	4.10	4.10	4812	4.60	3.00	4.25	2.80
Cons. Smelter	25	10+5	1.11	229	225	225	812	265	177¼	264	215
C. W. Dome	1	....	....	6	5¼	5½	11683	29¼	14	19	5
Corona	1	....	....	16½	12	13½	217900	37½	20	37	10
Copper Hill	1	....	....	59	57	58	28100	....	....	59	47
Comm. Mines	.	....	....	....	....	....	....	....	....	1.50	.71
Crown Res.	1	....	....	11¼	9	10¾	51100	24¾	8	15¼	7
Coast Copper	.	....	....	12.50	12.25	12.50	140	....	....	22.00	12.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1	13.80	7.50	7.25	7.25	1880	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	26	24	25½	38200	61	25	56½	17½
Duprat	1	....	....	10¾	9	10	161850	35½	8½	34½	6¼
Dubec	1	....	....	1.31	1.10	1.28	51640	....	....	1.31	.35
Dom. Lead	.	....	....	1.62	1.56	1.59	13300	....	....	1.62	1.05
D. Kirk	1	....	....	....	....	....	....	....	....	11¾	1½
Dunwell	.	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	1	....	....	14.00	13.50	13.50	85	....	....	13.60	10.00
Everett	1	....	....	1¼	1¼	1¼	5000	12¼	3¾	5½	1¼
Fiske	.	....	....	9	8	8	3100	....	....	30½	5
Fisher, Que.	1	....	....	1.32	1.17	1.32	43350	....	....	1.32	.50
Goldale	1	....	....	34¾	26	30	69770	43	24	35	20
Gold Hill	1	....	....	28	25	25	55800	73½	25	54	25
Gold Reef	1	....	....	1	1	1	2000	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¾	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	12	9¾	9¾	81940	32	18	37	8
Gold Ore	.	....	....	1.72	1.56	1.65	8660	....	....	1.72	.90
Harvie Exp.	None	....	....	13.75	12.90	13.00	2970	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	83¼
Hill Top	1	....	....	8	7½	7½	3500	31¼	20	24	7½
Hollinger	5	26	7.10	18.35	18.10	18.30	4250	21.00	16.75	22.65	18.00
Howey Gold	1	....	....	65	60	65	16310	....	....	75	42
Huron	...	....	....	....	....	....	....	....	....	1.09	1.02
Holyrex	1	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	9	8	8	18500	14½	2¼	12	4
Int. Nickel, c.	25	$2	3.00	68¾	61¾	66½	48083	46	32¼	75	38
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	24	24.00	1.00	.93	1.00	15020	1.90	1.39	1.66	.93
Keora Mines	1	....	....	3½	3	3	3250	22	11	12½	2½
Kirk. Hunt	1	....	....	15	14	14½	17400	34	8½	35	10
Kirk. Lake	1	....	....	1.70	1.49	1.57	364075	1.44	.69	1.70	.82
Kamisko	.	....	....	9.50	9.50	9.50	165	....	....	9.75	7.62
Kirk. G.B.	1	....	....	1.10	1.05	1.10	16635	....	....	1.10	.75
Lake Shore	1	40+10	2.43	20.75	20.25	20.50	3350	16.15	9.50	21.10	15.40
Lakeside L.	1	....	....	....	....	....	....	10	1¼	6	¾
Laval	1	....	....	36	29	31	356675	45¾	21	55	19½
La Rose	1	....	....	6	4	5	8900	39	4	12	3½
Lorrain, C.	1	....	....	....	....	....	....	15	2	3¼	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	.	....	....	....	....	....	....	....	....	21	20
Mentor	10	....	....	12.50	12.50	12.50	200	....	....	12.60	12.00
McDougall	.	....	....	40	35	35½	34800	....	....	50	17
Marclay	1	....	....	....	....	....	....	35	30	42	34½
M'tchatell	1	....	....	35	29	32	167400	....	....	42	29
Macassa	1	....	....	21	19	19	18400	43	25	37	18
McKinley	1	....	....	15½	14	15½	12600	26	8½	18	11
McIntyre	5	20	3.88	26.00	25.49	25.75	2641	29.75	22.70	27.50	24.00
Millcrest	1	....	....	5¼	4½	5¼	5000	21½	3½	6¼	4
Mining Corp.	5	25	4.16	3.14	3.00	3.00	3490	4.45	2.60	3.65	2.90
Moneta	1	....	....	....	....	....	....	18	11	14	8¾
Montreal Rouyn	1	....	....	24½	15	21	55700	60	13	33	10
N. A. Dev.	.	....	....	1.00	.60	.60	60800	....	....	2.10	.60
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Newray	1	....	....	40½	40½	40½	1000	45	31	40½	28
Night Hawk	1	....	....	6	5½	5½	13600	17	3¼	10½	4½
Nipissing	5	6	5.45	5.65	5.50	5.50	7875	9.25	4.95	10.30	5.35
Noranda	None	....	....	22.00	21.45	21.50	22252	24.75	12.00	25.00	19.95
Noranda Rts.	.	....	....	71	64	64	34286	....	....	90	64
Ophir	1	....	....	1½	1½	1½	5000	4¼	½	4¾	¾
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	49	40	48	37900	1.94	1.05	1 75	.35
P. L. Cobalt	1	....	....	6	5	5	2500	32	14½	18	3½
Porc. Crown	1	....	....	4½	4	4	4000	12	4	11	3½
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	1	....	....	79	73	77	16050	1.22	.66	1.18	.70
Premier Gold	1	32	14.90	2.25	2.14	2.15	13725	2.75	1.83	2.30	1.86
Preston	1	....	....	4¼	3½	4	7000	9¾	4	7	3
Potter Doal	None	....	....	20	15	17¾	265700	....	....	65	12
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	.75
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	2½	2	2½	12100	9	1¾	5	1
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4¾	1
Ribago	1	....	....	38	31	31½	606400	....	....	87	13
Rubec	.	....	....	2.10	1.10	1.85	8763	....	....	2.10	1.10
Siscoe	1	....	....	25	21	22	2020	....	....	26	12
South Keora	1	....	....	10	7	10	4500	35½	5	54½	6½
Stadacona	None	....	....	19	16	17	113500	51	40	55	15
St. Anthony	1	....	....	32	31	32	14000	....	....	50	10
Sylvanite	1	....	....	3.46	3.15	3.30	4245	....	....	4.30	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10	1.17	8.55	8.30	8.49	43624	5.55	2.65	8.60	5.25
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	5
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	29	25	26½	59750	66	36	62½	25
Towagmac	1	....	....	3.70	3.25	3.55	42625	6.10	3.15	5.75	2.85
United Copper	.	....	....	....	....	....	....	....	....	5.32	3.00
Trojan	.	....	....	8.35	7.50	8.00	3625	....	....	8.35	4.00
Vic. Silver	1	....	....	4¼	3¼	3¼	14650	96	3¾	14	2¼
Vickers	1	....	....	.71	.60	.68	8700	1.22	.13	1.52	.25
Vipond	1	....	....	.79	.68	.70	45200	2.02	1.49	1.75	.68
Wakenda	1	....	....	....	....	....	....	2¾	1	5	1
Wasapika	1	....	....	1½	1	1	7000	4	1	2	1
W. Dome Lake	.	....	....	11	10	10½	7700	....	....	13½	10
Wettlaufer	1	....	....	3	2	2	1650	10	2	4¼	2
West Tree	1	....	....	3	2¼	2¼	1000	....	....	4	2
Wright Har.	None	20c	3.29	6.08	6.00	6.07	42725	....	....	6.65	5.50
Vac. Gas	1	....	....	9	9	9	1500	....	....	26	3
Wiltsey C.	1	....	....	50	50	50	3000	..	....	50	50

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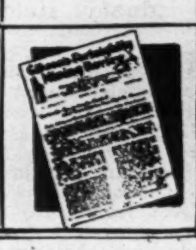

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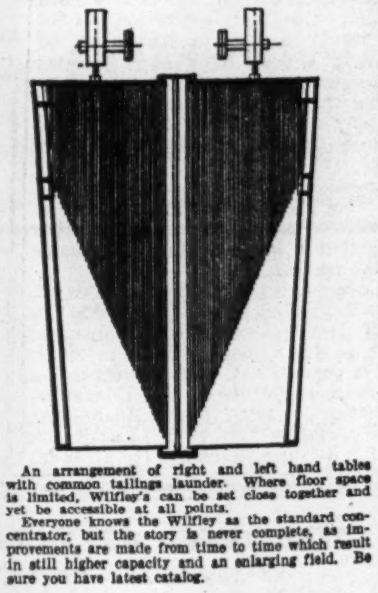

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FORD OF CANADA STOCK IS HIGHER ON MODEL NEWS

Investors Appear to Think Shifting Gears Will Sell New Cars

Ford Motor Co. of Canada stock has been increasingly active and rising in price on the New York curb market in the last week or two. The prevailing price is around $550 the share, as compared with $475 in June and $436 in March of this year. This last price was the low for the stock for a number of years.

Ford of Canada is the only Ford stock in which there is an investment interest. The price, for this reason, is considered as reflecting the judgment of the motor world of the outlook for the Ford business. The Ford reluctance to bring out a new model resulted in the stock in the Canadian company dropping considerably, although the company, apparently, was doing well.

Gets Advance Orders

Since the Ford announcement of a new model, with the standard gear shift and other changes, the motor world has been watching the company closely. Dealers, generally, have been taking a renewed interest in the business, and it is reported on reliable authority that the public interest has evinced itself in the very practicable form of placing orders for new cars in advance.

It is known that the Ford plants in and around Detroit are working at top speed. The new cars soon will be on the road.

Canadian Woollens' Profits Will Show Little Change

MONTREAL.—The annual report of Canadian Woollens for the year ending June 30 last, which will be dispatched to shareholders next month, is not expected to reveal an improvement over the previous year, as far as profits are concerned, according to the information just received by Financial Service from a source that is close to the inside. However, the actual conditions within the company are much better and a slight improvement in working capital is expected to be shown.

The amount of preferred stock outstanding is gradually being reduced through the operation of the sinking fund, which commenced at the rate of 2 per cent. per annum in 1921. Incidentally, responsible people are advising the holders of Woollens preferred not to sell their holdings at present levels.

The tariff board will meet in September, when the case of the woollen industry, which has already been presented, will be heard, and if any effective measure of relief is provided, the company would stand to benefit very materially. Arrears of dividends on the preferred shares amounted to 35 per cent. at the end of June, 1927. The company is well managed and in a fairly healthy financial position and should be able to obtain some share of the increased business that would come under better conditions for the industry.

Shawinigan Now Tops Isle Maligne Power

MONTREAL.—Shawinigan Water and Power Company's new transmission line from Isle Maligne to Quebec is completed. Over a year ago a survey party set out to map out the 130-mile route over which the future will doubtless see hundreds of thousands of horsepower of electrical energy being brought from the Lake St. John district to the more populous sections of this province. On Saturday last is was opened and 45,000 horsepower is now being delivered, while in a year or so it is expected that the full 100,000 horsepower which Shawinigan will take from the Quebec Development Company will be coming up through the cables. It is the longest transmission line in this province. The power which it will deliver will go to supply the Anglo-Canadian and Ste. Anne paper companies among other industries, while the fact that it is available will doubtless prove another step in the industrial development of the Quebec district.

Commerce Chamber Publishes Pamphlet

The Canadian Chamber of Commerce has commenced publication of an official organ under the name of "The Commerce of the Nation." The first edition is a four-page pamphlet.

Banking Assets Top Three Billion

For the first time in nearly six years, Canadian bank assets exceeded over three billions of dollars in June. In October, 1921, the peak was reached, when banking assets were $3,155,000,000. The June figure is more than half a billion dollars above the low figure reached in the interval. It seems quite likely that the autumn of the present year will see a new high record for all time established in Canadian bank assets. The purchasing power of the money represented by Canadian banking assets at the present time is greatly in excess of any previous record.

The largest increase in the assets of the banks was in call loans in Canada. This tendency has been very marked for many months, and indicates the strength of the Canadian securities markets, and the keen activity therein, leading to increased demands for funds from brokers and investment bankers.

Among liabilities, demand deposits were higher, but savings deposits showed a decline, not unusual at this season.

The changes in the bank statement during the month of June are clearly shown in the following table, especially prepared by The Financial Post from the government return:

BANK STATEMENT FOR MONTH OF JUNE

	June, 1927	May, 1927	Change	June, 1926	Change
Immediately Available Liquid Resources					
ASSETS					
Specie	$70,933,825	69,906,402+	$1,027,423	$59,128,927+	$11,804,898
Dominion Notes	100,719,226	99,800,119+	919,107	112,339,616—	11,620,390
Gold Reserve	67,420,332	63,270,332+	4,150,000	63,310,332+	4,110,000
Foreign Banks	72,234,783	68,375,058+	3,859,725	71,710,860+	523,923
Foreign Curr.	21,960,330	22,735,414—	775,084	24,820,911—	2,860,581
Govt. secs.	332,808,500	327,984,012+	4,824,488	350,726,915—	17,918,415
Call loans abroad	358,784,429	256,145,712+	2,638,717	242,961,283+	15,823,146
	$924,861,425	$908,217,049+	$16,644,376	$924,998,844—	137,419
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	136,335,268	137,393,873—	1,058,605	128,296,371+	8,038,897
Railway Secs.	64,683,636	64,752,757—	69,121	60,530,224+	4,153,412
Can. Call Loans	187,366,393	177,858,196+	9,508,197	143,532,883+	43,833,510
Current Loans	1,027,186,517	1,022,732,000+	4,454,517	931,548,713+	95,637,804
Loans Abroad	254,725,630	253,644,902+	1,080,728	252,793,168+	1,932,462
Prov. & Mun. Loans	86,400,893	86,489,799—	88,906	98,015,305—	11,614,412
	$1,756,698,337	$1,742,871,527+	$13,826,810	$1,614,716,664+	$141,981,673
Other Assets					
Non. curr. Loans	8,913,196	8,878,510+	34,686	9,587,671—	674,475
Real Estate	7,747,134	7,833,194—	86,060	8,276,209—	529,075
Mortgages	6,298,588	6,214,228+	84,360	5,711,414+	587,174
Premises	71,050,017	71,063,444—	13,427	71,137,596—	87,579
Lets. of cred.	75,018,232	72,429,724+	2,588,508	72,311,483—	2,706,749
Loans to Comp.	7,230,540	6,834,844+	395,696	5,494,835+	1,735,705
Other Assets	2,781,195	3,003,883—	222,688	2,844,024—	62,829
	$179,038,902	$176,257,827+	$2,781,075	$175,363,232+	$3,675,670
Total	$2,860,598,644	$2,827,346,403+	$33,252,261	$2,715,078,740+	$145,519,924
Note Cir. Dep.	5,878,159	5,778,741+	99,418	5,858,003+	20,156
Int. Bk. Bal.	153,838,085	143,589,295+	10,248,790	138,016,564+	15,821,521
Gross	$3,020,314,908	$2,976,714,439+	$43,600,469	$2,858,953,307+	$161,361,601
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$177,611,562	$164,506,202+	$13,105,360	$166,371,587+	$11,239,975
Dom. Govt.	39,152,786	39,302,701—	149,915	36,463,250+	2,689,536
Prov. Govt.	37,106,328	29,216,942+	7,889,376	23,627,502+	13,478,826
Govt. Advances	15,950,000	8,700,000+	7,250,000	19,800,000—	3,850,000
Deposits by Public					
Demand Dep.	595,424,745	583,371,882+	12,052,863	552,498,207+	42,926,538
Savings Dep.	1,380,325,581	1,389,750,483—	9,424,902	1,328,225,287+	52,100,294
Total	$1,975,750,326	$1,973,122,365+	$2,627,961	$1,880,723,494+	$95,026,832
Foreign Dep.	351,161,830	347,817,411+	3,344,399	337,314,422+	13,847,408
Due Banks Abroad, Etc.					
United Kingdom	4,328,330	4,994,098—	665,768	5,495,774—	1,167,444
Foreign	48,472,517	44,487,524+	3,984,993	33,662,021+	14,810,496
Bills Pay.	9,763,310	8,706,236+	1,057,074	10,588,229—	824,919
Lets. of Cred.	75,018,232	72,429,724+	2,588,508	72,311,483+	2,706,749
Other Liab.	2,520,527	2,337,050+	183,477	1,758,898+	761,629
Pub. Liab.	$2,736,835,748	$2,695,620,283+	$41,215,465	$2,588,116,660+	$148,719,088
Due Bet. Banks	10,842,039	10,333,700+	508,339	11,976,863—	1,134,824
Liability to Shareholders					
Dividends	701,049	2,798,881—	2,097,832	693,185+	7,864
Reserve	130,669,550	129,886,210+	783,340	125,441,700+	5,227,850
Capital	122,392,510	121,609,170+	783,340	116,164,660+	6,227,850
Gross	$3,001,440,896	$2,960,248,244+	$41,192,652	$2,842,393,068+	$159,047,828

Government Review is Aid to Business

The Royal Bank of Canada, in its current monthly letter, pays a tribute to the value of the "Monthly Review of Business Statistics," published by Dominion Bureau of Statistics.

This report contains a brief summary of the general financial, industrial and agricultural reports, comprehensive tables showing production in the leading industries and tables and charts showing the recent trend in speculation and finance. There is also a supplement giving a resume of the principal foreign business indices. Although this review is very comprehensive, the arrangement has been so simplified that a short study of its contents gives a satisfactory general review of the current position.

In the last issue, it is noted that newsprint, pig iron, steel and automobile production for the first five months of 1927 are well ahead of the levels attained in the corresponding period of 1926. The increased volume of imports of cotton, rubber and coal give further evidence of manufacturing activity and this view is also supported by the gratifying level of employment figures throughout industry.

In order to give a clearer picture of the comparative conditions in the different parts of Canada, the building permits and contracts awarded, the insurance sales, commercial failures, bank debits and employment index are given separately for the five great economic areas of the country. Each of these series reflect a satisfactory current situation.

The classified price indices show that wholesale prices reached their low point, 148.5, in March and that since then there has been a steady rise, with the average for May reaching the point of 151.9, and for June, 153.5. This change was largely due to an improvement in the price of grains. The index of vegetable products rose from 174.0 in May to 181.1 in June; higher levels for grains, flour, potatoes and some fruits more than offsetting lower levels for coffee, tea, sugar and hay. Animals and their products continued to decline in price, as did non-ferrous metals. In other classifications, comparative stability has been maintained for some months.

Ship Cream to England

The Quebec Department of Agriculture announces that its experiments, conducted in co-operation with the development branch, Canadian Pacific Railway, in the shipping of sweet cream to England, comprising four separate consignments, have been entirely successful, the cream arriving in uniformly good condition. Now that the possibility of this new development has been demonstrated it is expected that commercial interests will enter the field.

POWER OUTPUT STILL GROWING

But Figures Not Yet True Index of Industrial Trend

Daily production of electrical energy throughout Canada during March, April and May, 1927, was 13 per cent. greater than during the same period in 1926, according to the statistics of The Royal Bank of Canada. The corresponding increase in Ontario and Quebec amounted to 14 per cent.

Since it is true that the daily energy production for each month during the past four years has shown a marked increase over the production in the corresponding month of the previous year, rate of increase rather than absolute volume of production is the significant index of improvement. The improvement shown during 1926, as compared with 1925 was much greater than that shown in 1927 as compared with 1926.

The marked improvement shown during 1926 occurred at the time when a corresponding improvement was taking place in the volume of manufacturing activity. While this fact would tend to indicate that these statistics give an accurate index of manufacturing activity, it is still too early to attach much importance to this coincidence. Between 1925 and 1926 there was an increase of 350,000 tons in newsprint production in Canada. Newsprint production requires a large amount of power. During the first half of 1927 there has also been a marked increase in newsprint production and there are a sufficient number of newsprint mills which will begin operations during the second half of 1927 and the early part of 1928, so that this one factor should have a marked influence upon electric energy statistics. A further factor which will make for increased use of energy during 1928 will be the electro-chemical manufacturing of the Aluminum Company of Canada. Both newsprint and aluminum require such large units of energy that their effect upon power statistics is much more marked than that which would result from a very great increase in general manufacturing activity. It seems evident that power statistics in Canada have not been collected for a sufficient length of time to warrant their use in the close interpretation of the industrial changes.

Increased business activity in Winnipeg this year will produce for the city a record return from business tax, the assessment being $7,700,000, an increase of $400,000 over 1926.

Gain of Eight New Branches in July

A net gain of eight new branches is reported by the Canadian chartered banks for the month of July, the number of branches opened for that month being nine, and one branch closed. Following is a list of the branches opened and closed during July:

Opened

Commerce—Hairy Hill (sub-agency to Vegreville, Alta.); Broadway and Mackenzie, Vancouver.

Montreal—Bloor & Windermere Ave., Toronto; Arvida, Que.

Nova Scotia—Milo, Alta.

Provinciale—Chute Nairn (sub-agency to La Malbaie, Que.)

Royal—Smooth Rock Falls, Ont.; Arvida, Quebec.

Toronto—Wood Mountain, Sask.

Closed

Royal—Guines, Cuba.

The total number of branches at the end of July was 3,998.

Horses Leave For Russia

More than 1,100 western Canadian horses, purchased by the Union of Soviet Socialist Republics, for light draught purposes in Russia, have left Quebec aboard the Soviet steamer Dekabrist for Leningrad. This is the second consignment shipped from Canada for the Russian Government, the first having left Montreal last season.

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The first issue of the Survey of Mines met with such a hearty demand that it was sold out, 8,000 copies, within a very few weeks of its publication. This second issue will undoubtedly meet with an even more hearty reception, so that it is advisable to order in advance.

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Insurance for Buyer and Seller

Business Insurance Gives Partnerships Essential Protection

By L. M. BIDWELL,

Joint District Manager, Toronto Ontario Equitable Life and Accident Assurance Companies.

There is a vast field in this country for partnership business insurance.

What is a partnership? A partnership is an agreement between two or more persons who join together to carry on a certain business. Each contributes a certain amount to the undertaking, and it is agreed that the profit and loss shall be divided between them in proportion to their contribution. The contribution may be cash, property, or ability. It may be a patent, or it may be anything. The agreement, which should be in writing, is called "Articles of Partnership." The partnership should be registered, but it is not necessary to register the "Articles of Partnership," which may be changed from time to time to conform to the changing conditions of the business.

Conditions of Partnership

There are two conditions which apply to every partnership, which should be borne in mind in any discussion of partnership insurances:

a. The death of a partner automatically terminates the partnership.

b. The partners are individually and collectively responsible for the debts of the firm.

It is on account of the first that business insurance is of such vital importance in ensuring the permanent success of a partnership. The method of dealing with the second will later be considered in full detail

For the sake of clearness it is proposed to divide the subject under separate headings. The first is the purpose which it is required to accomplish. Upon this depends the whole solution of the problem, and until this is ascertained no progress can be made.

PURPOSE DURING LIFE

To strengthen credit and stabilize the business.

It is hardly necessary to enlarge on this purpose of partnership insurance. Not only will credit more readily be granted when insurance is carried, but the loan value of the policies themselves is a reserve fund which is quickly available at a crisis when money cannot be secured through the regular channels.

To create a sinking fund.

This is not often of prime importance in a partnership, but it is often a factor where a mortgage or similar long term liability exists. Furthermore it should be pointed out that the increasing cash surrender values of the policies create a sinking fund which will be of great value in the later years.

PURPOSE AT DEATH

To take up the shock of a partner's death, so that the business can be liquidated to the best advantage.

The death of a partner often removes the member upon whom the firm and its creditors depend for the handling of its finances. The firm is crippled for cash and the creditors demand immediate settlement. The survivor or survivors, desiring to continue the business, may be forced into an immediate liquidation which will result in a heavy loss. Insurance on the life of the deceased member will enable them to satisfy the creditors and carry on the business until it can be sold to the best advantage.

Incidentally, in applying the principles outlined in this article it is immaterial whether there are two or more partners. Wherever reference is made to the "partner" or "survivor" it may be considered as applying also to "partners" or "survivors."

To tide over the business, taking care of the more pressing obligations, so that it can be determined as a going concern.

The insurance proceeds will take care of the partner's death, as outlined, and will also furnish cash to carry on the business. The survivor will thus be enabled to continue the business, and to purchase the deceased partner's interest out of the business in accordance with the terms of an agreement which has been entered into.

To provide cash with which the survivor can buy out the deceased partner's interest.

This is probably the most common purpose for which partnership insurance is required, and the most important. Its value is so evident that comment is unnecessary.

In addition to the last, to provide means to pay off all or a portion of the current liabilities.

This is a very important provision which is often overlooked in adjusting a partnership insurance proposal. To provide cash to purchase the deceased partner's interest is good. It is little satisfaction to the survivor, however, to be left sole owner of the business, when there are pressing obligations for which the creditors demand an immediate settlement and no cash with which to pay them. The result may be a forced liquidation of the business and a heavy loss to the survivor.

HOW PARTNER'S INTEREST IS ARRIVED AT

A fixed amount agreed on in advance.

While this method simplifies settlement in the event of death it is usually not an equitable adjustment and may pave the way to litigation. While the amount which has been fixed may be adequate to-day, it may be quite inadequate two years hence. Should one of the partners die his estate would be justified in refusing to accept in settlement a sum which is considerably less than his interest in the business at the time of his death.

Should this method be adopted the value might be an arbitrary amount, based on the partner's investment in the business in cash or ability or both. If the business had been in operation for some time, and had become stabilized, it might be possible to arrive at a fairly accurate valuation of the respective partner's interests.

A variable amount arrived at by agreement among the partners from time to time during their lifetime.

This is quite a satisfactory method, but is sometimes objected to on grounds that it is rather complicated to work out in practice, and involves too much detail.

It could be worked out by providing that an appraisal be made at stated intervals, as, for instance, at the annual stock-taking, or until a specified date.

A valuation made at the death of one of the partners.

This is the most equitable method and involves no difficulty in carrying out. It is the method that should invariably be recommended, and if the partnership agreement has been properly drawn will secure the most satisfactory results for all the parties concerned.

In this case an appraisal would be made on the death of one of the partners, and the value of each partner's interest arrived at. Provision should be made in the agreement for the appointment of the appraisers, and might consist of one person to be nominated by the survivor, one by the estate of the deceased, and a third to be nominated by the other two. If arrangements have been made for the appointment of a trustee he might also be appointed to act as valuator. This is usually a very satisfactory arrangement, as the trustee is acting equally in the interest of both parties.

Should Insurance be in Valuation?

If the purpose of the insurance is to take up the shock of the partner's death, then the proceeds of the insurance **should** be included in the assets of the firm, and also the cash surrender value of the survivor's policy. The survivor will carry on the business with the estate of the deceased until there is a favorable opportunity to make a sale. The business will then be disposed of and the proceeds divided, in accordance with an agreement which has been previously executed by the partners.

If the purpose of the insurance money is to furnish means whereby the survivor can carry on the business, then the proceeds of the insurance policy **should** be paid in to the firm and become a part of the assets. An agreement will have been entered into between the partners providing for a valuation of the business (if this has not been previously fixed), and setting forth the terms under which the survivor undertakes to purchase the business from the deceased partner's estate. Whether or not the valuation should include the cash surrender value of the survivor's policy is a matter of opinion and agreement. From the standpoint of equity, it should be included.

In the large majority of cases partnership insurance is taken for the purpose of providing cash to purchase the deceased partner's interest. There is a wide difference of opinion as to the rules to be applied in these cases. Some authorities include the proceeds of the insurance policy in the assets; others do not. Others add also the cash surrender value of the survivor's policy. Others suggest the inclusion of these two items in the assets, to be offset by a sum which is the appraisal value of the partner's activity to the business, thus depreciating it to the extent that it suffers financially from his death.

Complicated and Unnecessary

Theoretically the last method would appear to be the most equitable, but in practice it would seem to be both complicated and unnecessary. The amount of the life insurance is supposed to replace the deceased partner's interest in the business, and the one amount should offset the other, in which case there is no object in adding the one and deducting the other.

To look at it in another way, while the business no doubt suffers from the partner's death, the survivor becomes possessed of the whole business, instead of the half which he owned formerly, and it is unlikely that the death of one partner will cause the business to depreciate 50 per cent. or more. To add the insurance proceeds to the assets would be to swell the survivor's interest to a still greater extent. Furthermore, the insurance is not taken for the purpose of increasing the estate of the partners, but of protecting what they already have.

If the above arguments are sound then the whole proceeds of the insurance policy should **not** be added to the assets of the firm in arriving at a valuation of the business, but only such portion, if any, as may exceed the amount required to pay out the deceased partner's interest.

It has been stated above that some authorities recommend the inclusion of the cash surrender value of the survivor's policy in arriving at a valuation of the assets. The writer does not agree with this suggestion and it is not clear what purpose it is intended to serve. In case this statement appears inconsistent with the settlement recommended it may be pointed out that the circumstances are quite different.

Circumstances Are Different

In the case of the first two examples the entire assets, including the insurance, are thrown into the common fund for distribution between the survivor and the deceased's estate. As the survivor could cash in his policy for its cash surrender value this should be included in the assets.

In the case we are considering, however, the insurance is a fund, created by the payment of certain premiums, for the express purpose of liquidating the deceased partner's interest in the business.

Had the insurance not been taken out the partners would be benefited during their lifetime by an amount equal to the premiums which have been paid on the insurance. These premiums would either have gone to swell the assets of the business, or would have been distributed to the partners in the form of profits. In making an appraisal of the business at death, therefore, the most equitable method would be to add to the appraised value the amount which has been paid in premiums on all the insurance carried by all the partners up to the date of death.

Summarizing the above we arrive at the following conclusions:

Where the insurance is for the purpose of taking up the shock of the partner's death, the valuation SHOULD include the proceeds of the insurance policy, and also the cash surrender value of the survivor's policy.

Where the insurance is for the purpose of purchasing the deceased partner's interest, the valuation should NOT include the insurance proceeds, except to such an amount, if any, as is provided in the agreement to take care of liabilities, or such an amount, if any, as may exceed the sum required to pay out the deceased partner's interest. It should also include the total amount which has been paid in premiums on all the policies.

Individual or Joint Policies

With regard to the objects of the insurance as outlined, these will be fulfilled equally well by either individual or joint policies.

Where there are three partners holding unequal shares two joint policies may often be applied to advantage. For instance, A's interest is $15,000; B's is $10,000, and C's is $5,000. A and C take a joint policy for $5,000, A and B take a joint policy for $10,000. If any one of them dies the amount of his interest is paid.

The only advantage of a joint policy is that it requires a smaller premium to cover the amount of the risk. Against this it has two serious disadvantages. First, the partnership may be dissolved, in which case it is unlikely that the partners will desire to be encumbered with a joint policy. Second, on the death of one of the partners the survivor will be left without the protection at the time he most needs it. He may not still be insurable, and if he is he will have to pay an increased rate for a new policy. Furthermore, joint policies are not so adaptable for credit purposes during the lifetime of the partners.

Individual policies overcome all these difficulties. While the total premium required to cover the risk is slightly greater, the cost per $1,000 is considerably less. It is therefore advisable in most cases to recommend individual policies.

Amount of Insurance Required

Where the insurance is for the purpose of taking up the shock of the partner's death, the amount should be sufficient to take care of average current obligations, bank overdraft and other immediate liabilities for which payment might be pressed on the death of one of the partners. It should also be sufficient to provide some cash to carry on the business, the amount of which would depend on the nature of the business and its financial position.

A firm will often defer the placing of business insurance because they are financially unable to carry an amount sufficiently to fully cover their interest in the business. This applies especially to a young or newly established firm. If the value of insurance is explained they may be induced to take out a comparatively small policy to start with. As the business grows their financial position improves, and its value becomes stabilized. They can then increase the insurance.

Where the insurance is for the purpose of purchasing the deceased partner's interest, the amount should at least equal

(Continued on page 24)

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Pilot Auto Holds First Shareholders' Meeting

The first shareholders' meeting of the recently organized Pilot Automobile and Accident Insurance Co. was held in Waterloo, in accordance with statutory requirements which necessitate a shareholders' meeting within three months after the granting of the charter.

Nearly 3,400 shares have been allotted to date and in all probability the entire first block of stock will be taken up before the end of the year. Seventy-two agents are at present enrolled, placing insurance on automobiles. The total amount paid in premiums to date is $12,100, while the losses to date amount to $478.

Present directors were re-elected as follows: Hon. W. D. Euler, E. W. Clement, A. W. Augustine, A. W. Puncher, E. C. Greb and W. J. Motz, of Kitchener; D. McIntosh and M. S. Hallman, of Waterloo; Senator J. P. Rankin, of Stratford, Hon. Jas. Malcolm, of Kincardine, W. E. Baetz, of Detroit, and N. Brown, of Toronto.

Following are the officers of the company: President, Hon. W. D. Euler, Minister of National Revenue; Vice-president, E. W. Clement; Managing Director, D. McIntosh; Secretary, Miss A. M. Anderson.

And Now Listen to Tale of Insurance "Lindy" Carries

By this time, all of us who spend our spare moments browsing among the advertising columns of the daily press, will be fully conversant with what the world famous "Lindy" wears, buys and uses. Enterprising manufacturers of fountain pens, underwear, shock absorbers, castor oil, and a host of other commodities directly or indirectly connected with the flight, have been working overtime to tell a receptive public that their particular product is used exclusively by the popular idol. How about his insurance?

Col. C. A. Lindbergh now carries insurance to the amount of $150,000, the policies having been written by the United States Life Insurance Co. and the Independence Companies of Philadelphia. The policies cover public liability, property damage, fire and life, and are taken out as protection for the Colonel during the national air tour that he is now making. The public liability policy covers one life for $10,000, and two or more up to the full amount of the policy which is for $100,000. Property damage is covered up to $10,000, and fire up to $15,000. The Colonel's life policy which runs for the duration of the flight, is for $25,000, written in favor of his mother, as beneficiary. The premium on this latter policy amounts to $598.

Montreal Insurance Men Will Dine Superintendents

MONTREAL.—Insurance men in this city will entertain the insurance superintendents of Canada at a dinner prior to the Quebec conference on August 30, 31 and September 1. The dinner will be held on August 29. James A. Beha, superintendent of insurance of New York, and Hon. Howard P. Dunham, insurance commissioner of Connecticut, will be among the speakers.

Prior to the dinner, Montreal fire officers will entertain out of town guests at golf.

Committee in charge of the dinner consists of T. G. McConkey, Toronto, Chairman; H. W. K. Hale, Montreal, representing life offices; Lewis Laing, Montreal; and J. W. Binnie, Montreal, representing fire offices; F. D. Knowles, John Jenkins, A. Hurry, representing casualty offices; D. L. Young, Montreal, secretary.

Edmonton Building Permits Higher

Edmonton building permits for the first seven months of 1927, totalled $1,934,340, as compared with $1,316,440 in the corresponding period last year, indicating a decidedly increased activity in building and construction work in the city.

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Current Events in Banking World

WHAT CANADIAN BANKER NOTICED VISITING U. S. A.

More Varied Service, Larger Advertising in American Banks

By MONEY CHANGER.

On a recent holiday trip across the border the writer took advantage of the opportunity to visit some of the banks in the larger cities with the thought in mind of getting new ideas and of comparing banks there with ours. Thinking that some of the conclusions I arrived at might be interesting I am giving them to my fellow Canadian bankers for what they may be worth.

My first visit was to a branch of a Canadian bank. The office while centrally situated was not as imposing as bank buildings usually are in Canada with the result that I passed by it two or three times before noticing that it was the bank I was looking for.

Staff Not Overworked

Banking hours in that office were from 8.30 to 2. There were about 25 on the staff, and they did not seem to be overworked. I chatted for probably twenty minutes with one of the boys whom I had worked with ten years before. During that time the office was not crowded with customers. This rather disappointed me as I had always pictured our office there as being a hive of industry, with people rushing in and out, and everyone busy. Instead I found it quite similar to our offices in Canada.

My friend was not altogether satisfied. Living was very expensive. A living allowance of $700 is given for living in that city. He told me that he would rather have $200 allowance and live in Canada. This rather surprised me. As I had seen two or three advertisements in the papers there for bank tellers. Offering a salary of $140 a month, I decided that I would not look for a job in a bank there.

Assume No Liability

The deposit slips used in that branch have printed on them the information that items on outside points are taken on deposit subject to collection through the bank's collection agent and at the depositor's risk. This was something new to me, although the same thing in a different form is used in Canada by means of a waiver of protest form taken from customers when their account is opened. The only difference is that if, as occasionally happens the form was overlooked being taken the bank would not have this protection.

There are many large banks in that city. A number occupy several floors in a building. Of course, banking is more varied there. The majority of the banks, I believe, have bond, real estate loan and trust departments.

It seems to me that the Canadian banks might profitably follow their example and extend the scope of their operations to cover more fields than they now do. As competition becomes keener and our population increases I believe they will do this, venturing into fields that are at present probably not considered part of commercial banking.

The margin of profit in handling money in the course of ordinary banking has got so narrow, and competition (even from governments) for the privilege of handling the people's dollars has grown so acute, that bankers have been worried about it, worried to the point of opening their minds to some new conceptions. For instance, the banks are now dealing in bonds more than they did five years ago, and much more than they did twenty-five years ago. After all, why should a bank deal only in money? The banker has seen the drug store elvolve from a prescription and remedy business to a general store that serves the public much more completely. Why should his bank not do likewise? In fifty years from now it is conceivable that the banks wil be selling many things over the counter. I expect to see them selling travel tickets, tokens, curios, insurance, and collecting rentals. It is true our banking laws are restrictive, but they can and will be revised if our bankers have the intestinal stamina to fight for such revision. Our war and post-war experience has taught us that nothing is "set" any longer. We have lost all our awe for tradition. As conditions change, our banks will inevitably enlarge the compass of their operations.

Manager Out In Open

My next visit was to a bank about 100 miles nearer home. The first thing that attracted my attention when I went in the office was that the manager's office was not enclosed as is usually the case in Canada. This feature I also noticed at our branch in the other city. The next thing that I noticed was a large sign in the savings department which read: "Invest some of your savings in good interest bearing bonds; consult our bond department."

I had to smile. Imagine a Canadian bank having a sign up like that. But why shouldn't they have such a sign? If their service is to be complete and satisfactory they should provide means for the profitable investment of surplus savings. The greater part of such savings will be invested eventually anyway, and the banks, by making suggestions for investment to their customers before outsiders have an opportunity to do so, will in many cases keep funds invested in legitimate trade channels that would otherwise be lost in unfortunate speculation.

Again After Bond Buyer

Another means of advertising used by that bank was a pamphlet on the customers' counter entitled: "Buy your bonds from your banker." This pamphlet gave a number of reasons why the bank thought it was in a better position to take care of your investment needs than outside parties.

I spoke to the cashier there and he told me that business was good. In that office, there were about 25 on the staff. They had both bond and mortgage departments. The office seemed busier than our branch.

The next place I visited was a bank just a night's ride from home. It was on the second floor of a large building on the principal street in the city. They were quite busy. I had no difficulty in cashing my travelers' cheques. The teller was very friendly when I told him I worked in a bank. Probably he thought I needed his sympathy.

Here I noticed blotters on the customers counter advertising safety deposit boxes. This bank also had bond and mortgage departments.

That finished my visits to the inside of the banks. One could not help but notice that window advertising is used quite extensively by the banks over there. The displays interested me because they are so seldom seen in Canada.

In conclusion the things that impressed me most were: more varied service: more advertising, window advertising in the larger banks being especially noticeable and different office layout.

IDLE RUMOR GAVE DEPOSITORS WORRY FOR FEW HOURS

But Provincial Bank Paid Money to All Comers

A "run," such as the Provincial Bank of Canada faced in the Essex County, Ontario, last week, would have put the average small American branch out of business inside of a few hours. But the Provincial Bank was able to commandeer the necessary resources to meet every demand upon it and the "run" petered out in a day, most of those who had taken out their money hastening to put it back in the safe keeping of the bank. With the bank, there was no question of not having the resources; the emergency merely created a problem of getting large amounts of money together at a group of branches isolated from the main area of operations of the bank, and doing it in a few hours. That the bank was able to do it is the satisfactory feature of the situation. The other banks in the district put up the necessary currency to tide over affairs until money arrived from head office in Montreal.

"Crazy Fool" Started It

There seems to be good reason to believe that George Campeau, general superintendent of the bank's branches in Western Ontario, was right when he said that "some crazy fool" had started a false and wild rumor that the bank was in unsound condition. His strong statement, backed up by a telegram from C. E. Neill, president of the Canadian Bankers' Association, which stated, "The bank in question (the Provincial) is in good standing here and we have no reason whatsoever for thinking it is not good for its engagements," served to allay public fears and when the depositors saw that there was no hesitation in paying out to them any money they wanted the run died a natural death.

Commenting on the "run," the Border Cities Star said:

"How idle rumor may create widespread alarm and do great harm was strikingly demonstrated in the "run" on Essex County branches of the Provincial Bank of Canada this week. For some reason a report spread that the bank was in difficulties, and depositors hurried to one branch or another to get their money. They got it, of course, and eventually the storm subsided. A great injustice, however, was done to this outstanding Canadian financial institution and it seems unfortunate that there is apparently no way of putting hands upon those responsible and making them suffer for their indiscretion.

"The Provincial is one of the strongest banks in the Dominion. Its president, Sir Hormisdas Laporte, is one of Canada's most distinguished financial leaders. Its position is not open to doubt. Its reserves, as shown by figures published yesterday, are ample. It is not in any difficulty. Its condition was never better than at present. There was absolutely nothing to justify yesterday's embarrassment."

Staff Gossip

A. F. D. MacGachen, manager of the Winnipeg branch of the Bank of Montreal, will move to Victoria to reside when he terminates his career with the bank on September 15. He was appointed manager in Winnipeg in 1897. Since that time he has been closely connected with a number of important developments in Western Canada. During his long term in Winnipeg he has on many occasions acted in an advisory capacity to the bank's head office in the passing of credits not only in Manitoba but the Western provinces. No member of Winnipeg's financial circle was more intimately acquainted with the last thirty years of Western development than Mr. MacGachen.

He retires after a period of fifty-three years of service with the Bank of Montreal.

Mr. MacGachen entered the service of the bank in 1874, shortly after his arrival from England. Later he moved to Guelph and a short time afterwards received his first managerial appointment at Lindsay. —Colonist, Victoria.

F. M. Robinson is in charge of the branch of the Bank of Commerce at Gorrie, Ont., for a few weeks, while the manager there is holidaying.—Star, Dundas.

E. H. Ritchie, who has been on the staff of the Bank of Montreal at Saint John, has resigned his position and will return to Fredericton to reside.—Gleaner, Fredericton.

After fourteen years as manager of the Royal Bank at Bashau, E. Cranstown is being transferred to Ryley.—Journal, Edmonton.

J. T. Taylor, who has held the position of assistant accountant at the Canadian Bank of Commerce, in Swift Current, for some time past, recently received word of his promotion to the branch at Biggar, Sask., where he will be accountant.—Herald, Swift Current.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Aug. 5, 1926	Aug. 4, 1927
Halifax	$ 3,195,025	$ 3,667,359
St. John	2,705,414	2,767,289
Moncton	792,844	892,691
Sherbrooke	1,115,196	1,013,622
Quebec	......	6,689,953
Montreal	115,440,646	122,175,619
Ottawa	5,833,496	6,328,492
Kingston	691,489	793,218
Peterboro'	562,919	511,704
Toronto	88,474,861	89,052,441
Hamilton	5,205,496	5,209,097
Brantford	1,053,808	1,089,173
London	2,515,345	2,694,210
Chatham	716,827	618,659
Kitchener	810,798	977,778
Sarnia	......	612,999
Windsor	4,071,311	4,043,996

Western Cities	Aug. 5, 1926	Aug. 4, 1927
Fort William	$ 789,314	$ 726,289
Winnipeg	81,142,913	62,997,329
Brandon	......	683,844
Regina	6,380,702	4,092,061
Moose Jaw	1,233,112	1,499,100
Saskatoon	2,193,546	2,661,941
Prince Albert	421,560	423,853
Lethbridge	600,967	584,452
Calgary	13,749,983	12,479,338
Edmonton	5,598,386	5,918,089
Medicine Hat	315,641	307,758
New Westminster	894,429	1,059,952
Vancouver	18,640,487	18,141,531
Victoria	2,646,487	2,318,441

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BY

MacKenzie Williams

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IF you sell bonds or stocks, you probably have a ticker in your office so you can receive instant news of price changes. But your clients are also keenly interested in keeping track of changes.

You telephone market changes to customers in your city. Does your out-of-town customer deserve less?

Long Distance service is now almost as speedy as local telephoning.

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WHAT the strongest and the most successful magazines can do for enterprising, progressive manufacturers in any country, MacLean's Magazine can do and is doing right now in Canada.

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THE last few years have universally been looked on as severe tests of the basic soundness of any business structure or industrial institution.

Few industries or institutions in Canada, or in any country, can show, during the past eleven years, as steady a growth as MacLean's Magazine, as indicated by its increased circulation and advertising revenue.

The circulation has grown from 25,000 to more than 110,000 copies each issue; and the advertising revenue in 1926 was more than eleven times what it was in 1916.

The remarkable and consistent growth throughout these trying years, is evidence of the soundness of the policy behind this publication—and proof of the valuable and highly satisfactory service that it is rendering to readers and advertisers alike.

MacLean's is more than a magazine, it is a national institution

MacLean's Magazine has prepared a series of Charts showing the remarkable parallel which exists between the distribution of MacLean's circulation and the distribution of Canada's buying power.

Manufacturers and Agency Men who are interested are invited to write for "The Parallel Charts" and the Detailed Circulation Booklet.

MACLEAN'S
CANADA'S NATIONAL MAGAZINE

TRUST COMPANIES ADVANCE RAPIDLY

Show Greater Increases in Business Than Loan Companies

Report of R. Leighton Foster, registrar of loan companies, for Ontario, covering 1926 business, shows an increase of more than $16,400,000 in the total assets of loan and trust corporations registered in Ontario.

Trust companies contribute about $18,-100,000 of an increase, while loan corporations show a decrease of approximately $1,700,000. The increase shown in trust companies business was due to a number of loan corporations cancelling their registry as such, and registering as trust companies, also to the general increase in assets, particularly in guaranteed investment receipts and deposits. The decrease, as shown by loan corporations, is further attributed to one company cancelling their registry. Apart from these deflections the loan corporations show a steady increase of business over last year.

Mortgage investments, amounting to more than $216,000,000 constituted 64.6 per cent. of the total assets of all corporations. At the end of 1925, the total mortgage investments amounted to more than $202,000,000 and constituted 63.5 per cent. of the total assets. The tendency to increase mortgage holdings is again apparent. The increase this year amounts to nearly $14,000,000. Both loan corporations and trust companies have been decreasing their holdings in western mortgages and increasing their Ontario and Quebec holdings. Corporations report a continued improvement in interest collections on western mortgages during the past year.

Real estate held for sale by all corporations amounted at the end of the year to slightly more than $9,400,000, or 2.8 per cent. of the total assets. This marks an increase of approximately $948,000 over the preceding year. It is to be noted that loan corporations show an increase of $254,000, loaning land corporations, an increase of $832,000, and trust companies a decrease of more than $138,000. It was noted a year ago that the amount represented by this class of asset had increased in 1923 by 16 per cent. in 1924 by 12 per cent., and in 1925 by 5½ per cent. This year's figures mark a further increase of more than 11 per cent., indicating that foreclosures are continuing to be more rapid than sales.

Investments in government bonds by all corporations increased during the year by $411,000, the holding of this class of security by loan companies increasing by more than $187,000. Trust companies by $1,287,000, while the holdings of loaning land corporations were increased by $1,063,000. The total investments in Canadian municipal securities show a decrase of approximately $199,000. Investments in other bonds and stocks amount at the end of 1926 to nearly $22,-000,000, as compared with $26,000,000 at the end of the preceding year.

There has been a substantial increase, $4,100,000, in the amount of outstanding debentures of loan corporations payable in Canada. A year ago the increase noted was $5,350,000. The following table shows the amount of debentures, both domestic and foreign, issued and outstanding at the end of each of the last eleven years. The remarkable reduction which occurred in 1924 in the amount of debentures payable abroad shows no sign of recovery:

	Pay. in Canada	Pay. Abroad
*1915	$28,435,263	$77,675,532
*1916	28,169,467	73,784,756
*1917	28,805,785	69,094,057
1918	27,438,420	69,663,965
1919	26,224,619	69,991,837
1920	29,037,935	64,355,393
1921	29,982,858	62,814,676
1922	32,394,820	65,197,496
1923	34,290,528	68,350,622
1924	38,568,404	48,081,643
1925	43,927,864	48,045,898
1926	49,421,907	46,651,452

*Interest not included.

The amount on deposit with loan and trust corporations amounts to $48,773,000, an increase of almost $4,498,000 over the preceding year. Deposits with loan corporations increased $443,000, and deposits with trust companies by $4,055,000. Funds placed with trust companies for guaranteed investment increased in 1926 by more than $11,423,000. The total increase in public funds placed with loan and trust corporations in Ontario, amounting to nearly $22,000,000 in 1926, indicates the continued and increasing confidence of the public in these institutions. The total public funds held by loan and trust corporations on December 31st, 1926, for savings and investment amounted to more than two hundred and two million dollars.

The total amount of estates, trust and agency funds administered by trust companies shows a further substantial increase during the past year, the amount under administration at the end of the year being $934,000,000 as compared with $871,000,000 at the end of 1925.

The value of shareholders' investment in these corporations as represented by paid-in capital, reserves, surplus and profit and loss accounts, showed in 1925 as $125,142.000, and in 1926 as $118,259,-000, a decrease of more than $6,882,000.

BUSINESS INSURANCE GIVES PARTNERSHIPS ESSENTIAL PROTECTION

(Continued from page 22)

that interest at the time the insurance is taken. If the business is growing the amount should, if possible, allow for a reasonable future increase. If it is required also to take care of certain liabilities, it should also include an amount sufficient to cover them. If the partner's interest is a fixed amount, the amount of insurance required is automatically fixed.

By Whom Are Applied For

By each partner for a policy on his own life payable to the other partner.

This method, though quite commonly used, is not recommended. Under this arrangement the partners enter into an agreement covering the disposition of the business and of the proceeds of the insurance policy. It will also be necessary for each partner to make a will, appointing an executor to administer his share in the business. While it may work out quite satisfactorily as long as everything runs smoothly, it may lead to complications if a disagreement arises.

By each partner for a policy on his own life payable to the firm.

This method is more desirable. Each partner applies for a policy payable to the partnership. Upon the death of either the cheque for the insurance proceeds will be payable jointly to the survivor and the executors of the deceased, and there is less likelihood of a hitch to occur.

By each partner for a policy on his own life payable to a trustee.

The partners agree on a trustee or trust company, and enter into a trust agreement. This agreement outlines the disposition that is to be made of the business in the event of death. Should the purpose of the insurance be to take up shock of death or tide over a business the trustee will determine with the survivor the manner in which the insurance money can be used to carry on the business to the best advantage. Should the agreement provide for a valuation of the business, the trustee may be appointed as valuator.

The greatest adavntage of this method is obtained, however, where the insurance money is to be used to purchase the deceased partner's interest, Each partner makes his policy payable to the trustee, and the partnership trust agreement is entered into as outlined above. Each partner also enters into a trust agreement with the trustee, instructing the trustee to pay the proceeds of the insurance policy to his estate or specified beneficiary, in return for which the trustee is instructed to release the interest of his estate in the business, in accordance with the terms of the partnership trust agreement.

By the firm as applicant payable to the firm as beneficiary.

This is the best method to adopt in the majority of cases. The settlement of the business will be adjusted jointly by the survivor and the executors of the deceased. It has only one drawback and that is that if any disagreement should arise, and the executors appointed by the deceased should not work in harmony with the survivor, the result might be unsatisfactory.

By the firm as applicant payable to a trustee.

This method has the same advantages and the same procedure would be followed.

Summarizing the discussion outlined above, we arrive at the following conclusions:

If the insurance is required for any of the purposes outlined under purposes at death, and is NOT required to be exempt from any claims of creditors of the firm, or of the individual partner, then the policy should be taken out by the firm on the life of each partner. The policy should be payable to the firm as beneficiary or to a trustee. In the former case each partner will appoint an individual executor to wind up his share of the business. In the latter case, both the firm and each member individually will appoint a common trustee, who will co-operate with the survivor in all details connected with winding up the business in the best interests of all the parties concerned.

By Whom Premiums Paid

If it is desired that the proceeds of the policy shall be paid direct to the heirs of the deceased partner, and shall not be subject to any debts of the firm, these being assumed by the survivor, then care should be taken that the premiums are paid by the individuals, and do not go through the books of the firm. Unless this condition is required it does not matter by whom the premium payments are made, bearing in mind that in actual fact the money always comes out of the partnership. In ordinary practice the premiums will be paid by the firm.

What Should Agreements Include?

Amount of insurance placed on each life, identifying each policy by name of company and number.
Beneficiary.
By whom premiums are to be paid. If by the individuals, provision should be made for action to be taken in case of default, the premium being charged to the defaulter's share of the profits. Condition that no action is to be taken with the policies without the written consent of all parties concerned.

Appointment of trustee, if desired.
Powers of trustees, if appointed.
Disposition of policy proceeds.
Disposition of the business on death of a partner.
Provision for making a valuation of the business, unless this has already been fixed.
Action to be taken in case one of the partners wishes to withdraw from the firm.
Action to be taken in case of dissolution.

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Subscribed Capital - - $1,000,000.00

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$2,750,000

Canadian Vickers, Limited

First Mortgage Twenty Year 6% Sinking Fund Gold Bonds Series "A"

Dated August 1st, 1927 — Due August 1st, 1947

Principal and semi-annual interest payable in Canadian gold coin at the Bank of Montreal, Montreal, P.Q., or Toronto, Ont., or, at the option of the holder, in United States gold coin at the Agency, Bank of Montreal, in the City of New York, or in gold coin of the Kingdom of Great Britain, at the Bank of Montreal, London, England, at the fixed rate of exchange of $4.86 2-3 to £1 sterling. Coupon bonds of denominations of $1,000 and $500 registerable as to principal only. Redeemable in whole or in part at the option of the Company on any interest payment date on sixty days' notice at 105% and accrued interest, if redeemed on or before February 1st, 1932, and thereafter at 1% less for each four year period or fraction thereof.

Montreal Trust Company, Trustee.

CAPITALIZATION

	Authorized	Issued
First Mortgage Gold Bonds	$5,000,000	$2,750,000*
7% Cumulative Preferred Stock ($100 par value)	5,000,000	1,700,000
Common Stock (No par value)	100,000 shares	50,000 shares

*Series "A" 6%, due 1947

For information regarding these Bonds Geo. Barr, Esq., Managing Director of the Company, summarizes his letter to us, in part, as follows:

Further bonds may be issued only to the extent of 75% of the cost or fair value whichever is less, of additional property to be mortgaged and provided that the earnings during the preceding year (not necessarily calendar or fiscal year) shall have been at least equal to 250% of the annual interest charges on the bonds issued and to be issued, all as more fully provided in the Trust Deed.

COMPANY AND PROPERTIES: Canadian Vickers, Limited, incorporated under the laws of the Dominion of Canada in 1911, owns and operates a floating dry dock and shipbuilding plant at Montreal and having acquired, in 1923, the Phoenix Bridge & Iron Works, Limited, is also engaged in the production of industrial and mining machinery, structural steel, aircraft and kindred products. Messrs. Vickers, Limited, of London, England, has agreed to give to the Company a first refusal of any licenses, patents, secret formulae, processes or inventions which Vickers, Limited, may desire to exploit in Canada.

The plant of the Company, situated on the harbour front in the easterly part of the City of Montreal, covers an area of approximately twenty-eight acres, the major portion of which is held under agreement of lease from the Harbour Commissioners of Montreal, and the balance under fee simple. This lease runs for a further period of at least thirty-four years and is subject to extension, by mutual agreement, for a further period of forty years.

The annual rental payable in accordance with the terms of the lease amounts to $7,500 plus an interest in profits but in no event exceeding a total rental of $25,000 per annum.

The Company's floating dry dock is of steel construction, has a lifting capacity of 22,500 tons and is capable of docking the largest ship now coming to Montreal.

The structural steel plant is one of the largest of its kind in Canada.

The industrial engineering plant is equipped to manufacture turbine and reciprocating marine engines and boilers, heavy plate work, including penstocks, sulphite digesters, steam accumulators, cement tube mills, coal pulverizers, etc. It holds the Canadian rights to manufacture the Kidwell water-tube boiler and Ljungstrum air pre-heater.

About fifty aircraft have been designed and have been or are being built by the Company.

DOMINION GOVERNMENT SUBSIDY: Under a contract entered into, in 1913, with the Dominion Government pursuant to the "Dry Dock Subsidies Act," the Company receives from the Dominion Government an annual subsidy of $105,000, This contract provides under its conditions for the annual payment of this subsidy over a further period of twenty-two years from January 1st, 1927. The Company will, under the Trust Deed securing the bonds, irrevocably assign these annual cash payments to the Trustee as security for the payment of the interest and otherwise as security for the bonds.

SECURITY: The bonds will, in the opinion of the Counsel, be secured by a specific first mortgage and charge on all the fixed assets, Dominion Government subsidy, floating dry dock, leases and properties of a permanent nature of the Company now owned or hereafter acquired by it and by a floating charge on all other assets, subject only to the underlying debentures which are being redeemed as fully set forth in the circular describing the issue.

SINKING FUND: The Trust Deed will provide for an annual cumulative Sinking Fund commencing August 1st, 1930, sufficient to retire at par, by maturity, an amount equivalent to over 60% of the bonds now being issued.

ASSETS: The buildings, plant and equipment, after depreciation, including land and leases but not goodwill, are valued by Messrs. Coverdale & Colpitts, Consulting Engineers of New York, as at January 26th, 1927, at $6,105,000.

The Dominion Government subsidy which calls for twenty-two annual payments of $105,000 each, a total of $2,310,000, has not been included in arriving at this valuation.

The audited balance sheet of the Company as at February 26th, 1927, after giving effect to present financing and the changes now being made in the Company's capital structure, shows net current assets amounting to $1,226,824, equal to $446 for each $1,000 bond of this series.

Fixed assets plus net current assets total $7,331,824 or $2,666 for each $1,000 bond of this series.

EARNINGS: Net earnings for the Company's fiscal year ending December 31st, 1926, exclusive of the amount of the Government subsidy received for that period, available for bond interest, depreciation and Federal taxes, after deducting all operating charges, maintenance and repairs, as certified by Messrs. Macintosh, Cole & Robertson, Chartered Accountants, were $429,933. Annual bond interest requirements, after deducting the annual subsidy payment of $105,000, which is irrevocably assigned to the Trustee for the payment of interest as provided in the Trust Deed, amount to $60,000 and were earned during this period 7.16 times.

Orders booked for the current year to June 18th amount to $2,333,000 and, as compared to the corresponding period of last year, show a total increase of 42 per cent.

Taking into consideration this increased volume of business and further prospective economies it is estimated that earnings, on the same basis as above, will amount to $516,000, or, 8.6 times interest requirements.

The Company will now be wholly owned in Canada and will receive the benefit of a policy controlled by Canadian Directors and shareholders.

Price 98½ and accrued interest yielding over 6.10%.

These bonds are offered for sale when, as and if issued and received by us and subject to legal approval of Counsel.

DRURY & CO
ROYAL SECURITIES CORPORATION, Ltd. — HANSON BROS.
R. A. DALY & CO. — McLEOD, YOUNG, WEIR & CO., Ltd.
GREENSHIELDS & CO — MURRAY & CO.
JAMES RICHARDSON & SONS, Ltd.

Statements while not guaranteed are based upon information which we believe to be reliable.

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by "The Life Insurance Trusts"

IT is a splendid duty to provide your dependents with funds through Life Insurance, but it is also a further act of thoughtful kindness to ensure that those funds shall be carefully administered.

When, through The Life Insurance Trust, you appoint this Corporation to administer your Insurance proceeds—you make provision for the proper investment of the capital—you direct how the income shall be applied to meet the ordinary needs of the family, and how the principal may be drawn upon to meet contingencies.

A confidential talk with one of the Officers of this Corporation will show you how The Life Insurance Trust may prove the most effective means of meeting the needs of those whom you wish to benefit.

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